FILE

Supreme Court of the United States

NO.

OCTOBER TERM, [illegible]

PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE [illegible] CIRCUIT

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IN THE

Supreme Court of the United States

NO. .....

OCTOBER TERM, 1960

THE COLD METAL PROCESS COMPANY and THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, TRUSTEE, Petitioners,

v.

E. W. BLISS COMPANY and GREER STEEL COMPANY, Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

To the Honorable Chief Justice and the Associate Justices of the Supreme Court of the United States:

Petitioners pray that a writ of *certiorari* issue to review, in part, the judgments of the United States Court of Appeals for the Sixth Circuit entered on December 21, 1960 in Appeals Nos. 13,994, 13,996 and 13,997 in that Court.

The Cold Metal Process Company and The Union National Bank of Youngstown, Ohio, Trustee (referred to herein as "Cold Metal" and "the Trustee," respectively) were the appellants and E. W. Bliss Company (referred to herein as "Bliss") was the appellee in Appeal No. 13,994; the Trustee was the appellant and Greer Steel Company was the appellee in Appeal No. 13,996; and the Trustee was the appellant and Bliss was the appellee in Appeal No. 13,997.

THE OPINIONS BELOW.

The three cases represented by the three appeals mentioned above were consolidated for trial in the District Court and for hearing in the Court of Appeals. A single opinion was rendered by each Court.

The Opinion of the District Court is reported at 174 F. Supp. 99 and is printed in full in Appellants' Appendix filed in the Court of Appeals, Volume I, pages 239a-346a, nine copies of which are being filed herewith. The portions thereof pertinent to the limited issue presented herein are printed in Appendix A hereof, *infra*, pp. 31a-33a.

The opinion of the Court of Appeals in the consolidated cases is reported at 285 F. 2d 231, and is printed in full in Appendix A hereof, *infra*, pp. 1a-27a.

The Court of Appeals, relying on the doctrine of *stare decisis*, followed its earlier decision in *The Cold Metal Process Company et al. v. Republic Steel Corporation* (hereinafter referred to as the "*Republic* case") and, hence, the opinion in that case is quite relevant. It is reported at 233 F. 2d 828, and the portions thereof pertinent to the limited issue presented herein are printed in Appendix B hereof, *infra*, pp. 37a-39a.

JURISDICTION.

The judgments of the Court of Appeals were entered on December 21, 1960 (App. A, *infra*, pp. 28a-30a). The jurisdiction of this Court is invoked under 28 U.S.C., Section 1254 (1).

QUESTIONS PRESENTED.

The Court below, relying on its earlier erroneous decision in the *Republic* case, failed and refused to follow several prior controlling decisions of this Court on the question of infringement, holding them to have been "overruled" by this Court in *Halliburton Oil Well Cementing Co. v. Walker et al.*, (1946) 329 U.S. 1. On that basis, it held that certain of respondents' rolling mills (otherwise clearly within the scope of the claims of each of the patents in suit) do not infringe upon Steckel patents Nos. 1,779,195 and 1,744,016.*

Therefore, the following questions, which relate solely to infringement, are presented:

1. Did the Court below err in flatly refusing to follow *Cochrane v. Deener*, (1876) 94 U.S. 780, *Machine Company v. Murphy*, (1877) 97 U.S. 120, and *Morley Sewing Machine Company v. Lancaster*, (1889) 129 U.S. 263, all of which held that a patent on a new combination of old elements is infringed by a structure embodying the combination defined in the claims even though a later-invented specific type of one of the elements of the combination is substituted in the infringing combination for one of the old elements disclosed in the patent and claimed broadly as a part of the combination?

2. Did this Court, in the *Halliburton* case, *supra*, reject and overrule its earlier decisions in the *Cochrane*, *Machine Company*, and *Morley* cases, *supra*, as the Court below expressly held?

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* These patents are referred to hereinafter as patent '195 and patent '016 and appear in Appellants' Appendix, Volume II, pages 493a-525a.

3. Where a patent relates to a rolling mill which "revolutionized" an industry and comprises a new combination of old elements, namely, (a) work rolls, (b) backing rolls, and (c) antifriction mountings for the backing rolls, can infringement be avoided merely by substituting in the combination a later-invented specific type of antifriction mounting for the specific type or types of antifriction mountings disclosed in the specification, where the accused combination with the new type of antifriction mounting does the same work in substantially the same way and accomplishes the same result?*

STATEMENT.

These actions arose under the Patent Laws of the United States and, hence, the District Court had jurisdiction under 28 U.S.C., Section 1338 (a).

The patents, which relate to rolling mills for rolling metals in relatively thin sheet or strip-like form, have been the subject of considerable litigation. They were upheld in *Cold Metal Process Co. v. Carnegie-Illinois Steel Corporation et al.*, (3 Cir., 1939) 108 F. 2d 322 (although the opinion in that case was later withdrawn and the complaint dismissed as moot because of settlement) and in *The Cold Metal Process Company et al. v. Republic Steel Corporation*, (6 Cir., 1956) 233 F. 2d 828. The Courts, in the *Republic* case, held that the patents "revolutionized" the art to which they relate, that there was a "technological block" which those skilled in the art

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* The combination described in this question is that of patent '195. Patent '016 adds another feature to this combination.

could not eliminate but which was eliminated by the inventions of these patents, that they involve true combinations of elements producing new and useful results, and that the patents "involved invention of a high order."

Patent '195 is addressed to a rolling mill comprising (a) working rolls of substantially uniform diameter in the body portion, (b) backing rolls of much larger diameter, and (c) antifriction mountings for the backing rolls. The diameters of the backing rolls are sufficiently large to provide an antifriction mounting which will withstand the heavy rolling pressures encountered and operate for extended periods at high speeds and which eliminate roll neck heating and consequent distortion of the product. This patent relates to both hot and cold rolling.

Patent '016 is specific to cold rolling of metal into relatively thin strip-like form and the essential teaching of it is the combination of (a) slender work rolls which are too small relative to their length to be self-supporting, (b) much larger and rigid backing rolls, (c) antifriction mountings for the backing rolls, and (d) tension on the delivered material for supplying at least a substantial part of the force required for the rolling, the large backing rolls making possible the use of the slender work rolls and the antifriction mountings. By using the relatively small work rolls, the roll pressures are reduced and, consequently, an antifriction mounting can be used for the backing rolls and this mounting makes it possible to drive the rolls substantially, largely, principally or even entirely by tension on the strip.

In the District Court, three actions were consolidated for trial.* Two of the cases involved Bliss's infringement by reason of its manufacture and sale of a large number of rolling mills. The third one involved Greer's infringement by reason of its use of certain mills.

Both patents were held valid by the District Court and by the Court of Appeals. As to infringement, both Courts held certain mills to infringe, but held others not to infringe because they made use of the after-invented antifriction bearings known as Morgoil bearings, instead of roller bearings, on the backing rolls. It is these holdings regarding the Morgoil bearing mills which are in issue here.**

On the Morgoil bearing issue, the Court of Appeals held its ruling was "controlled by the ruling in the *Republic* case and requires no further discussion at this time." In the *Republic* case, this issue was, as the Court of Appeals there stated, a "relatively minor point" (App. B, *infra,* p. 39a). Recognizing the importance of the issue in these cases and in another case now at the District Court level, a petition for a writ of *certiorari* was filed in this Court in the *Republic* case addressed to both the Morgoil bearing issue and a license or estoppel issue present in the *Republic* case but not present here. In the absence of a reversal on the license question, the Morgoil issue in the *Republic* case was

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* Another case totally unrelated to these was included in the consolidation, but is of no concern here.

** The District Court engrafted certain limitations on the claims of patent '016 and excused certain of the mills on this ground, but this ruling was reversed by the Court of Appeals.

moot so far as the outcome in that case was concerned. Evidently recognizing this, this Court denied the petition in the *Republic* case (No. 358, October Term, 1956).*

The Morgoil bearing, which is covered by patent No. 2,018,055, was not invented until after the patents in suit had issued. It is shown in catalogues published by its manufacturer (Appellants' App. 589a, 603a and 631a). Portions of one such catalogue are reproduced in Appendix B, *infra*, pages 45a to 49a. One of the mills in issue with roller bearings is shown in the drawing appearing at Appendix B, *infra*, page 41a, and one having Morgoil bearings is shown in Appendix B, *infra*, page 43a.

The Morgoil bearing comprises a sleeve which is secured to a roll neck and the sleeve and roll neck rotate as a unit in a bushing carried by the chocks supported by the mill stand. There is a small clearance between the sleeve and the bushing and a film of oil is maintained under pressure between these two parts at all times when the rolls are turning. Thus, the roll neck and sleeve do not slide on the bushing (as in a so-called plain bearing), but ride on a film of oil carried between the bushing and sleeve. The Morgoil bearing differs structurally from roller bearings, but they both operate on the same principle, namely, the maintenance of the sleeve out of

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* In view of the clear conflict between the Court of Appeals' decision on the Morgoil bearing issue and this Court's decisions and in view of the clearly erroneous holding that this Court, in the *Halliburton* case, had overruled its earlier classic decisions on this point of law, we think it reasonable to assume that the denial was based on the overriding impediment of the license and estoppel issue.

frictional contact with the surface of the bushing in the chock. The essential difference is that, in a roller bearing, the roll neck rides on the rotating, lubricated rollers; whereas, in a Morgoil bearing, the sleeve on the roll neck rides on the moving molecules of oil. Frictional engagement between the rotating parts and stationary parts is avoided and antifriction characteristics are possessed by each. The two have substantially the same coefficient of friction, they perform the same functions in the combination and get the same results. In the *Republic* case, the Court of Appeals expressly held that Morgoil bearings "perform all the functions of caged roller bearings." In the cases at bar, respondents' expert pointed up the similarity of the two bearings and their identity of performance in a 4-high mill and admitted that the end result is the same, irrespective of which is used (Appellants' App. 442a). Bliss quotes 4-high mills in alternate form as to bearings and its expert testified that the two bearings "will perform the same functions in the rolling mill, or else we would not quote them" (Appellants' App. 463a).

The art, and particularly the rolling mill art, has recognized Morgoil bearings as antifriction bearings or mountings, particularly because of their extremely low coefficient of friction (Appellants' App. 683a, 367a, 716a, 710a, 366a, 427a, 428a, 431a-433a).

Steckel, in his patents, never claimed to have invented the roller bearing or any other form of antifriction mounting or antifriction backing. His concept was to use roller b arings or other antifriction bearings or mountings in a new combination and in a new place, *i.e.*, on the backing rolls of 4-high mills. His specifications

and his claims, which use both broad and narrow language, demonstrate this.*

The Court of Appeals in the *Republic* case commented upon the structural differences and operational differences between Morgoil and roller bearings when considered separately; but such differences, as this Court has held, are immaterial since they serve "the same purpose in the combination": *Cochrane v. Deener,* (1876) 94 U.S. 780, 789-90; *Morley Sewing Machine Company v. Lancaster,* (1889) 129 U. S. 263, 290. Here the Morgoil bearings, *in* the combination, "perform all the functions" of roller bearings, as the Court below held.

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* As to patent '016, see page 1, col. 1, lines 39-42; page 1, col. 2, lines 71-79; page 4, col. 1, lines 30-38; page 5, col 2, line 128 to page 6, col. 1, line 4; and Claims 2, 3, 4, 7-12, inclusive, 24-26, inclusive. As to patent '195, see page 1, col. 1, lines 29-34; page 1, col. 1, lines 34-36; page 1, col. 1, lines 45-47 and Claims 3, 4, 6, 7, 8 and 11 to 17, inclusive.

REASONS FOR GRANTING THE WRIT.

The writ should be granted in these cases for the following reasons:

1. The Court below has decided this important issue of law contrary to the applicable decisions of this Court, *e.g.*, the *Cochrane, Morley and Machine Co.* cases *supra*, and *Temco Electric Motor Company v. Apco Manufacturing Company*, (1928) 275 U.S. 319, 328; and in doing so, erroneously held that this Court, in the *Halliburton* case, had rejected and overruled its classic earlier decisions which we believe to be controlling on this Morgoil bearing issue.

2. The decision of the Court below is in direct conflict with the decisions of the Courts of Appeals for the First, Second, Third, Fourth, Fifth, Seventh, Eighth, and Tenth Circuits. It is supported only by a similar erroneous ruling in the Ninth Circuit, *infra*, p. 17.

3. The decision of the Court below is directly contrary to this Court's decisions, *e.g.*, *Ross Winans, Plaintiff in Error v. Adam, Edward,* and *Talbot Denmead*, (1853) 15 Howard 330; *Smith v. Snow et al.*, (1935) 294 U.S. 1, and other cases in this Court, which enunciate the fundamental rule that the claims in a patent are not to be limited to the specific embodiment shown in the specification.

4. The legal issue presented is of fundamental interest to all concerned with the Patent Laws of the United States. The decision below opens the floodgates for the perpetration of frauds on patentees of the nature commented upon by Mr. Justice Jackson in *Graver Tank & Mfg. Co., Inc. et al. v. Linde Air Prod-*

ucts Co., (1950) 339 U. S. 605, 608. The decision of the Court below in the *Republic* case on the Morgoil bearing issue has been characterized by Judge Rifkind, sitting as a Special Master in the *International Nickel* case, *infra*, p. 14, as being such as to "produce absurdity."

Point 1.

Neither patent '016 nor patent '195, as indicated earlier, specifically discloses Morgoil bearings since the Morgoil bearing was not invented until after these patents had issued. Patent '016, however, does disclose two embodiments providing antifriction mountings. Referring to Figures 7 to 14, patent '016 says that, "In this case, the anti-friction mounting" is provided by roller bearings. As to the other embodiment, the antifriction mounting is stated to be provided by a large wheel-like arrangement. The claims are directed to backed-up mills having "anti-friction backing rolls" or backing rolls having "anti-friction mounting." And the specification (*supra*, p. 9) makes it clear that Steckel did not intend his inventions to be limited to mills having any particular type of antifriction backing or antifriction mounting.

Patent '195, which is a division of the application eventuating into patent '016, discloses a single embodiment as regards bearings; but Steckel, in this patent, described his invention broadly as to the "anti-friction mounting" for the backing rolls. He pointed out that, in his preferred form, the backing rolls have necks carrying "anti-friction bearings." He then described the particular kind of "anti-friction bearings" he preferred, namely, roller bearings. Certain of the claims are limited expressly to roller bearings, but others specify

"anti-friction bearings" and others specify "anti-friction mounting."

Despite the breadth of these disclosures and claims, the Court below held the Morgoil bearing mills not to infringe because such bearings were not developed or installed on rolling mills until *after* the patents in suit issued. The Court of Appeals predicated its decision on its earlier decision in the *Republic* case.

Thus, the Court below held that infringement of a combination claim is avoided by improving or replacing one of the elements of a combination with a structurally different element, which performs exactly the same function in the same way to bring about the same result in the combination, if the structurally different or improved element is developed after the invention covered by the patent in suit. This holding is in direct conflict with the decisions of this Court. *The Court below recognized this,* but, nevertheless, traversed the point by erroneously holding that the classic decisions of this Court were overruled in the *Halliburton* case, *supra.*

The conflict between the decisions of the Court below and this Court's decisions in the cases asserted to have been overruled by *Halliburton* is quite apparent.

In *Cochrane v. Deener,* (1876) 94 U.S. 780, several patents relating to machinery for bolting flour were involved. The infringing bolting apparatus was made according to a patent issued *10 years after* the patents in suit. This Court's opinion (pp. 789-90) shows the vast structural differences between the infringing apparatus and that disclosed in the patents there in suit. Nevertheless, this Court held infringement.

In *Machine Company v. Murphy,* (1877) 97 U.S. 120, the patent related to a machine for making paper bags. One of the elements was a cutter for cutting the paper. Defendant's cutter differed materially from the cutter of the patent in suit and was covered by a patent issued *15 years after* the patent in suit had issued. This Court held defendant's machine embodying the new cutter to be an infringement.

In *Morley Sewing Machine Company v. Lancaster,* (1889) 129 U.S. 263, the patent was for an improvement in machines for sewing buttons on fabrics. One of the elements of the combination claimed was the stitching mechanism. The defendant's machine was made in accordance with a patent application filed *a year and a half after* the patent in suit had been granted. The stitching mechanism in defendant's machine was entirely different from that of the patent in suit, as this Court noted (p. 285). This Court, nevertheless, held infringement because, in the combination, defendant's stitching mechanism performed the same function as that of the patent in suit.

The principles of these decisions have been endorsed in later decisions by this Court, *e.g., Temco Electric Motor Company, v. Apco Manufacturing Company,* (1928) 275.U.S. 319, 328, and *United States v. Line Material Co. et al.,* (1948) 333 U. S. 287.

The *Halliburton* case, contrary to the decisions below, did not overrule this Court's earlier decisions. It presented the narrow question whether a particular element which constituted "the precise point of novelty" was described with sufficient particularity to comply with R. S. 4888. *It did not even involve the question in-*

volved here. In the ***Line Material*** case, ***supra,*** this Court reiterated its holding in the ***Temco*** case, ***supra,*** "that the improver without a license is an infringer," citing with approval not only the ***Temco*** case, but also ***Cochrane v. Deener, supra,*** which is one of the cases the Court below said was overruled by the ***Halliburton*** case.

Former Judge Simon H. Rifkind, acting as Special Master, and Judge Irving R. Kaufman had this same question before them in *The International Nickel Company, Inc. v. Ford Motor Company et al.,* (1958) 166 F. Supp. 551. Judge Rifkind, in an unreported decision, expressly repudiated the holding of the Court below on this issue in the *Republic* case, stating:

> "For many years, following *Morley Sewing Machine Co. v. Lancaster,* 129 U.S. 263, 273, 289 (1889), it was clear that an equivalence invoked on behalf of a pioneering patent need not have been known at the time of issuance. In *Halliburton Oil Well Cementing Co. v. Walker,* 329 U.S. 1, 13 (1946)—relying on pre-*Morley* cases, *Gill v. Wells,* 22 Wall. 1, 29 (1874) and *Fuller v. Yentzer,* 94 U. S. 288, 297 (1877)—the Supreme Court said, with reference to a combination patent, that equivalents may be asserted only if known at the time of issuance. In *Cold Metal Process Co. v. Republic Steel Co.,* 233 F. 2d 828, 841 (6 Cir., 1956), cert. denied 352 U.S. 891, the Sixth Circuit read *Halliburton* as over-ruling *Morley;* see also *Kemart Corp. v. Printing Arts Research Laboratories,* 201 F. 2d 624, 630 (9 Cir., 1953); but see *Pointer v. Six Wheel Corporation,* 177 F. 2d 153, 163 (9 Cir., 1949), cert. denied 339 U. S. 911.
>
> "*Halliburton* may, indeed, over-rule cases which applied Morley's doctrine to non-pioneering patents.

But I can not agree that *Halliburton* over-ruled *Morley* itself. So to hold here would produce absurdity."

Judge Kaufman affirmed Judge Rifkind's holding, citing the *Morley* case.*

The erroneous doctrine of the decisions below also has been rejected by the Court of Appeals for the First Circuit in *Foster Metal Products, Inc. v. Jacoby-Bender, Inc.*, (1 Cir., 1958) 255 F. 2d 869, 875, by the Court of Appeals for the Second Circuit in *Technical Tape Corporation v. Minnesota Mining & Manufacturing Company*, (2 Cir., 1957) 247 F. 2d 343, 350, and by the District Court in *Waterproof Insulation Corp. v. Insulating Concrete Corp., et al.*, (D. C. D. Md., 1957) 153 F. Supp. 626, 631, all of which were decided subsequent to *Republic*.

In applying the doctrine of the *Halliburton* case to the facts of these cases, the Court below went counter to this Court's decision in *Faulkner v. Gibbs*, (1949) 338 U. S. 267, 268. This Court, in the *Faulkner* case, held that the *Halliburton* case was inapplicable to a patent, the novelty of which is based upon a combination of elements rather than the novelty of a particular element. The Courts below, in the cases at bar, expressly held that each patent defines "a true combination" and commented upon the concession which had been made that every element in the structure of the patented mills was old.

We submit that the law in the Sixth Circuit on this important doctrine of patent law should be corrected by this Court and the doctrines enounced by this Court and followed by many other Courts of Appeals should be restored.

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* This case was not subjected to appellate review.

Point 2.

The decision of the Court below is in direct conflict with the decisions in many Circuits which have followed the principles enounced and applied by this Court in the *Cochrane, Morley, Machine Co.* and *Temco* cases, *supra*: **First Circuit:** *Foster Metal Products, Inc. v. Jacoby-Bender, Inc.,* (1 Cir., 1958) 255 F. 2d 869, 875; **Second Circuit:** *Technical Tape Corporation v. Minnesota Mining & Manufacturing Company,* (2 Cir., 1957) 247 F. 2d 343, 350, *Finkelstein v. S. H. Kress & Co., et al.,* (2 Cir., 1940) 113 F. 2d 431, 433-34, *Beldam v. Garlock Packing Co.,* (2 Cir., 1928) 29 F. 2d 673, 677; **Third Circuit:** *Westaco-Chippewa Pump Co. v. Delaware Electric & Supply Co. et al.,* (D. C. D. Del., 1931) 57 F. 2d 559, 563, Aff. 64 F. 2d 185; **Fourth Circuit:** *Ackerman v. General Motors Corp. et al.,* (4 Cir., 1953) 202 F. 2d 642, 644-46, *Florence-Mayo Nuway Co. v. Hardy et al.,* (4 Cir., 1948) 168 F. 2d 778, *Hoeltke v. C. M. Kemp Mfg. Co.,* (4 Cir., 1935) 80 F. 2d 912, 921, Cert. Den. 298 U.S. 673; **Fifth Circuit:** *Reed v. Hughes Tool Co.,* (5 Cir., 1919) 261 Fed. 192, *Matthews et al. v. Koolvent Metal Awning Co.,* (5 Cir., 1946) 158 F. 2d 37; **Seventh Circuit:** *Highway Appliances Co. v. American Concrete Expansion Joint Co. et al.,* (7 Cir., 1937) 93 F. 2d 113, 118; Cert. Den. 303 U.S. 653; **Eighth Circuit:** *Freeman et al. v. Altvater et al.,* (8 Cir., 1933) 66 F. 2d 506, 513, *McDonough v. Johnson-Wentworth Co.,* (8 Cir., 1928) 30 F. 2d 375, 385; **Tenth Circuit:** *Baker Oil Tools, Inc. v. Burch,* (10 Cir., 1934) 71 F. 2d 31, 35.

In *Technical Tape Corporation v. Minnesota Mining & Manufacturing Company, supra,* the Court of Appeals for the Second Circuit said (p. 350):

"Even if the equivalent plaintiff used was unknown at the time of Drew's invention, it was none the less an equivalent and infringed—Finkelstein v. S. H. Kress Co., 2 Cir., 113 F. 2d 431, 433. The substitute functions in the same way as the original and produces the same result."

In the Ninth Circuit, the Court of Appeals, in *Marchus v. Druge et al.,* (9 Cir., 1943) 136 F. 2d 602, 607, followed this Court's earlier decisions on this point, but, in *Kemart Corp. v. Printing Arts Research Laboratories, Inc.,* (9 Cir., 1953) 201 F. 2d 624, 630, that Court decided the legal issue presented here in accord with the decision of the Court of Appeals in the cases at bar.

Hence, there is a clear conflict between the Sixth and the Ninth Circuits, on the one hand, and all of the other Circuits on this important issue.

Point 3.

This Court, in *Ross Winans, Plaintiff in Error v. Adam, Edward, and Talbot Denmead,* (1853) 15 How. 330, enounced the fundamental rule that the claims of a patent are not to be limited to the specific embodiment shown in the specification. That rule was reiterated by this Court in *Smith v. Snow et al.,* (1935) 294 U.S. 1, and has been applied by this Court and the Court of Appeals in cases too numerous to mention.

The decision of the Court below violates this fundamental rule since it limits patent '016 to mills with roller bearings which is only one of the two types of antifriction backings disclosed therein, and it limits patent '195 to roller bearings, which is only the specific embodiment shown in that patent. This limitation was imposed

in spite of the fact that the claims are phrased in broader language and despite the fact that certain claims of patent '195 are expressly limited to roller bearings; whereas others are not.

Point 4.

The legal issue presented here is of vital importance in the administration of the Patent Laws and, consequently, the erroneous decisions of the Court of Appeals for the Sixth Circuit should be corrected and brought into agreement with the decisions of this Court and the decisions of various Courts of Appeals throughout the country. The decision below opens the door to a type of infringement which would serve to destroy in substantial measure the protection which the Constitution and Congress have provided for discoveries. It opens the door to that type of infringement which Mr. Justice Jackson, in the *Graver* case, (1950) 339 U.S. 605, 608, characterized as " a fraud on a patent." The decision below would allow a person to gain the full benefits of the invention of another merely by substituting an after-discovered element for one of the elements of the new combination even though *the combination,* with the substituted element, did the same thing in substantially the same way to accomplish the same result.

This Court, both before and after *Halliburton*, has held that this cannot be done and infringement avoided; but the law in the Sixth and Ninth Circuits today is to the contrary. There, a patent owner is subject to an entirely different standard than prevails elsewhere and in this Court.

Substantial uniformity in the administration of the Patent Laws throughout the United States is of great

importance. The rights of a patentee, particularly where, as here, we are dealing with patents which have revolutionized an art, should not depend upon a mere matter of jurisdiction. In the interests of uniformity and the proper protection of inventions, this Court should grant the writ and determine authoritatively this important matter.

CONCLUSION.

We respectfully submit that the decision of the Court below is clearly erroneous and that this petition should be granted.

Respectfully submitted,

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APPENDIX A

OPINIONS, JUDGMENTS AND ORDERS BELOW

Opinion of the Court of Appeals, Dated December 21, 1960

Before: McALLISTER, Chief Judge, MILLER and CECIL, Circuit Judges.

MILLER, Circuit Judge. These four appeals arise out of three actions brought in the District Court involving the validity and infringement of Steckel patents Nos. 1,779,195 (hereinafter referred to as 195) and 1,744,016 (hereinafter referred to as 016) for improved mills and methods for the rolling of hot and cold metal in strip or sheet form.

Patent 016 issued January 14, 1930, on an application filed June 30, 1923, by Abram P. Steckel, hereinafter referred to as Steckel, Patent 195 issued October 21, 1930, on an application filed December 9, 1929, as a division of the original Steckel application.

Steckel assigned his applications to The Cold Metal Process Company, hereinafter referred to as Cold Metal, and the patents were issued to that company. Thereafter, pending this litigation, the Steckel patents were assigned to The Union National Bank of Youngstown, Ohio, Trustee of the Leon A. Beeghley Fund, hereinafter referred to as the Trustee.

The three actions in the District Court involved Cold Metal and the Trustee, as the owners of the patents, and E. W. Bliss Company and the Greer Steel Company, as alleged infringers.

E. W. Bliss Company, hereinafter referred to as Bliss, is a Delaware corporation, engaged in the manufacture and sale of rolling mills.

Greer Steel Company, hereinafter referred to as Greer, is a West Virginia corporation and is a user of rolling mills. It purchased several mills from Bliss and one from United Engineering & Foundry Company, hereinafter referred to as United.

The actions in the District Court are as follows:

1. E. W. BLISS COMPANY v. THE COLD METAL PROCESS COMPANY and THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, TRUSTEE, Equity No. 5402. (Appeal No. 13,994 by Cold Metal and No. 13,995 by Bliss.)

This action was filed by Bliss on January 20, 1936, seeking a declaratory judgment with respect to the validity and infringement of Steckel patents 016 and 195. Cold Metal filed its answer on May 20, 1939, but at that time asserted no counterclaim. In January, 1949, Cold Metal and the Trustee moved to amend the answer by adding a counterclaim charging Bliss with infringement. This motion was sustained by order of May 8, 1950. On May 26, 1950, pursuant to such order, Cold Metal and the Trustee amended the original answer by adding a counterclaim charging Bliss with infringement.

The District Court held patent 195 valid and infringed by Bliss with respect to certain mills in issue, but not infringed by certain other mills. Certain limitations were engrafted by the Court upon patent 016 and,

as so limited, patent 016 was held valid but not infringed. The District Court also considered and ruled upon the measure of damages in conjunction with its ruling on validity and infringement. Judgment was entered in accordance with these rulings, which also provided that damages were to be later determined in accordance with the ruling contained in the opinion.

2. THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, Trustee, v. GREER STEEL COMPANY. Civil Action No. 24,189 (Appeal No. 13,996).

This action was filed by the Trustee in July, 1946, charging Greer with infringement of patents 016 and 195 by reason of Greer's use of rolling mills purchased from Bliss and United.

The District Judge held that the mill purchased by Greer from United infringed patent 195, but that by reason of an exclusive license granted by Cold Metal to United, Cold Metal was estopped from asserting its claim against Greer for infringement by use of the mill purchased from United. A judgment was entered dismissing the complaint against Greer.

3. THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, Trustee, v. E. W. BLISS COMPANY. Civil Action No. 26,542 (Appeal No. 13,997).

This action was filed June 1, 1949, and charged Bliss with infringement of patents 016 and 195. This action was between the same parties and involved the same issues as were raised by the counterclaim in Equity

No. 5402. This action was filed as a precautionary suit to stop the running of the Statute of Limitations against the claim of infringement, because of the delay with respect to the ruling of the Court on the Trustee's motion for leave to amend its answer by asserting its counterclaim against Bliss in Equity No. 5402.

Judgment was entered dismissing this action against Bliss.

The three actions were consolidated for hearing in the District Court and were discussed and decided in a very thorough and carefully prepared opinion of the District Judge, reported at *E. W. Bliss Company* v. *The Cold Metal Process Company*, 174 F. Supp. 99.

Appeal No. 13,994 was taken by Cold Metal and the Trustee from that portion of the judgment in Equity No. 5402 which limited the claims of patent 016, the ruling that patent 016 was not infringed, and the ruling with respect to damages.

Appeal No. 13,995 was taken by Bliss from that portion of the judgment in Equity No. 5402 which held patent 195 to be valid and the ruling which gave effect to the counterclaim which it claims was erroneously permitted to be filed.

Appeal No. 13,996 was taken by the Trustee from the judgment in Civil Action No. 24,189 dismissing the complaint against Greer.

Appeal No. 13,997 was taken by the Trustee from the judgment in Civil Action No. 26,542 dismissing the complaint against Bliss.

The four appeals were consolidated and heard together by this Court.

These two Steckel patents have been involved in extensive litigation and have previously had the careful consideration of this Court. A discussion of the problems in the steel industry, to the correction of which these patents were directed, the patent office history with respect to the applications and issuance of the patents, and a description of the patents themselves are fully set out in *United States* v. *Cold Metal Process Co.*, 62 F. Supp. 127, N. D. Ohio, affirmed 164 F. (2) 754, C. A. 6th, cert. denied, 334 U. S. 811, rehearing denied, 334 U. S. 835, and *Cold Metal Process Company* v. *Republic Steel Corp.*, 123 F. Supp. 525, N. D. Ohio, affirmed 233 F. (2) 828, C. A. 6th, cert. denied, 352 U. S. 891, rehearing denied, 352 U. S. 955. See also: *Cold Metal Process Co.* v. *McLouth Steel Corp.*, 170 F (2) 369, C. A. 6th; *Cold Metal Process Co.* v. *United Engineering & Foundry Co.*, 3 F. Supp. 120, W. D. Pa., appeal dismissed 68 F. (2) 564, C. A. 3rd, cert. denied, 291 U. S. 675; *Cold Metal Process Co.* v. *American Sheet & Tin Plate Co.*, 22 F. Supp. 75, D. C. N. J., affirmed in part and reversed in part, *Cold Metal Process Co.* v. *Carnegie-Illinois Steel Corp.*, 108 F. (2) 322, C. A. 3rd, opinion withdrawn and complaint dismissed as moot, 115 F. (2) 33, C. A. 3rd; *Cold Metal Process Co. v. Commissioner*, 247 F. (2) 864, C. A. 6th. In view of what has been said in the opinions in the foregoing cases, to which reference is made, and also in the opinion of the District Court in this case, it is unnecessary to restate the patent office history of the Steckel application and divisional application upon which the two patents issued (see 62 F. Supp. 127) or to describe in detail the two patents involved. For the purposes of this opinion and the rulings herein made, the

following description and discussion of the patents is sufficient.

PATENT 195.

This patent relates to the rolling of thin sheet-like metal strips in long lengths. It provides a mill which may be operated at high speeds and permits of rolling metal strips of practically unlimited length. It applies to both the hot and cold rolling of the metal. It is especially useful in the rolling of metal of great thinness relative to its width. Steckel stated in the application,

> "I provide working rolls having backing rolls of larger diameter and anti-friction mounting for said backing rolls of a character adapted to withstand the rolling pressures encountered and the high speeds which are employed. In a preferred form of the invention the backing rolls are provided with necks which carry the anti-friction bearings, these necks being of sufficient size to withstand the rolling pressure, and the diameter of the backing roll body relative to the diameter of the working roll being of exaggerated size so as to permit of using anti-friction bearings of sufficient size for the conditions encountered. It is important that the bearings be of adequate size and of proper character, and in the form of the invention herein particularly described, roller bearings employing spaced-apart rollers are used."

Basically, the claims define a 4-high mill with antifriction bearings on the backing rolls. Power is supplied to the backing rolls and not through tension on the delivered strip.

This patent was held valid by the District Court for the Northern District of Ohio in *Cold Metal Process Co. v. Republic Steel Corp., supra*, 123 F. Supp. 525, which ruling was affirmed by this Court in *Cold Metal Process Co. v. Republic Steel Corp., supra*, 233 F. (2) 828, C. A. 6th, cert. denied, 352 U. S. 891, rehearing denied, 352 U. S. 955.

The District Judge discussed the patent and reviewed the prior art at length in his opinion in this case. He stated that stripping the claims of the verbiage and looking to their essentials they disclosed a 4-high mill with roller bearings on the necks of the backing rolls, that the use of the roller bearing itself was old in the rolling mill art, that the roadblock in the path of the development of the roller bearings was a mechanical one, and that he found no invention in Steckel being the first person to get an adequate roller bearing and do what was predicted, advocated, taught, and attempted for many years prior thereto, but which the prior workers had been unable to achieve with a high degree of precision because of mechanical drawbacks. In his opinion the patented mill was the same basic 4-high mill as had been known in the art for years, the only difference being that it had an improved bearing on the necks of the backing rolls, and that the thing that made possible the use of roller bearings was the evolution of the bearing itself. He was also of the opinion that roller bearings had in fact been used on the Bridgeport 4-high cluster mills, which prior public use was relied upon as creating a statutory bar to the validity of the patent.

However, the District Judge was also of the opinion that the issue of validity was properly before this

Court in the earlier *Republic Steel* case, in which the evidence was substantially the same as in the present case and in which case both the District Court and this Court, after a full discussion of the same issues, were of the opinion that invention existed and that the patent was not anticipated by the prior art. Notwithstanding his individual opinion in the case, he was of the view that the case was controlled by the ruling in the *Republic Steel* case and, accordingly, entered a judgment sustaining the validity of the patent.

Opponents of the patent contend that the ruling on validity in the *Republic Steel* case was in effect *obiter dictum*, in that the complaint of the *Cold Metal Process Company* against *Republic Steel* was dismissed, the Court being of the opinion that as to all of the accused mills Republic Steel was immune from any claim of infringement by reason of a license agreement of June 20, 1927, between Cold Metal and United, from which Republic Steel purchased all of the accused mills.

We do not give the ruling in the *Republic Steel* case that effect. The Court could have decided the case on the ground of license immunity with the statement that in view of such ruling it was unnecessary to rule on the validity of the patent. It did not do so. On the contrary, it accepted the issue of validity as being involved in the case, discussed it at length, and decided it. We consider it a ruling on the validity of the patent and not *obiter dictum*. *Railroad Companies* v. *Schutte*, 103 U. S. 118, 143; *Union Pacific R. Co.* v. *Mason City Co.*, 199 U. S. 160, 166; *Joyce v. Wyant*, 202 F. (2) 863, 865, C. A. 6th.

Opponents of the patent also contend that since they were not parties in the *Republic Steel* case, the

ruling is not *res judicata* as to them, and that if this Court is of the opinion that the ruling was erroneous, as was the District Judge, it is not required that it be followed by the same court at a later time, although the District Judge was required to follow the ruling of the Court of Appeals. Compare: *Erie R. Co.* v. *Tompkins*, 304 U. S. 64; *Brown* v. *Board of Education*, 347 U. S. 483.

In the *Republic Steel* case this Court had before it rulings in cases in the Third Circuit holding the patent valid. Although it was recognized that they were not controlling upon the ruling of this Court, we took occasion to point out that such prior decisions holding the patent valid, even though from a different circuit, should be followed unless the Court was convinced of "a very palpable error in law or fact," citing in support of such a principle the prior ruling of this Court in *Cincinnati Butchers' Supply Co.* v. *Walker Bin Co.*, 230 F. 453, 454, C. A. 6th. In the present case in which we have a prior ruling from our own Court, the rule of *stare decisis* is applicable. Discussing the rule in *New York Life Ins. Co* v. *Ross*, 30 F. (2) 80, 83, C. A. 6th, cert. denied, 279 U. S. 852, we said, "If this doctrine means, as was said in The Madrid (C. C.), 40 F. 677, 679, 'that when a point has been once settled by judicial decision, it forms a precedent for the guidance of courts in similar cases,' precedents which cannot be distinguished should be followed until modified or overruled, and the interest of uniformity, certainty and stability in the law thus promoted. Certainty of a rule is often of equal importance with theoretical accuracy." See also: *Penfield* v. *C. & A. Potts & Co.*, 126 F. 475, 478, C. A. 6th; which involved the validity of a patent; *Grand Rapids & I. R. Co.*

v. *Blanchard*, 38 F. (2) 470, 471, C. A. 6th; and *Polisnik* v. *United States*, 259 F. (2) 951, note 3, page 952, C. A. D. C.

In the present case, not only do we have the ruling in the *Republic Steel* case from our own circuit, but the validity of the patent has also been upheld by the District Court for the Western District of Pennsylvania in *Cold Metal Process Co. v. United Engineering & Foundry Co., supra*, 3 F. Supp. 120, appeal dismissed 68 F. (2) 564, C. A. 3rd, cert. denied, 291 U. S. 675. In *Cold Metal Process Co. v. American Sheet & Tin P. Co., supra*, 22 F. Supp. 75, D. C. N. J., the District Court held patent 195 invalid for want of invention, but this ruling was reversed and the patent held valid by the Court of Appeals in *Cold Metal Process Co. v. Carnegie-Illinois Steel Corp., supra*, 108 F. (2) 322, C. A. 3rd. The opinion in this case was later withdrawn and the complaint dismissed as moot by reason of a settlement between the parties. *Cold Metal Process Co. v. Carnegie-Illinois Steel Corp., supra*, 115 F. (2) 33, C. A. 3rd.

We are of the opinion that the prior ruling of this Court in the *Republic Steel* case should be adhered to and, accordingly, the ruling of the District Judge that patent 195 is valid is affirmed.

PATENT 016.

This invention relates to cold rolling metal into thin strip form. It also relates to a new cold process for making economically thin sheet metal hitherto made by hot rolling in packs, notably commercial tin plate. It also contemplates a new and improved product resulting from the practice of the new method herein disclosed. It applies to any backed up mill (3-high,

4-high or cluster) embodying its features. It discloses backing rolls of large diameter with an antifriction mounting and relatively small reducing rolls, with the rolls being driven largely, principally or substantially by tension on the delivered strip.

Steckel stated in his application,

"In cold rolling as heretofore practiced it has been generally considered necessary to anneal the material after it has been reduced to half its original thickness, and as a consequence great reductions by cold rolling have always required a large number of intermediate anneals. In order to prevent such hardening of the strip with the accompanying annealing, I use a roll, or preferably a pair of rolls, of comparatively small diameter. These rolls do not have the necessary strength to be self supporting, and are therefore provided with backing rolls of large diameter and of the necessary strength to withstand the rolling pressure. The backing rolls have an anti-friction mounting. This permits the rolls to be driven principally or entirely by the tension on the delivered strip, such tension being exerted by the winding reel or by a subsequent pair of rolls. The delivered strip may, therefore, be maintained under a constant and automatically regulated tension, which is highly desirable in cold rolling as it insures straightness of the product. This tension should be substantially constant to insure uniformity of gauge. The antifriction mounting also permits the strip to be rolled at high speed, it saves so much power that the usual mill drive may be radically simplified or even dispensed with."

Operation of the mill wholly or in part by tension on the strip distinguishes it from patent 195.

The claims involved refer to a "relatively small reducing roll" with the rolls being "driven principally" by tension on the delivered strip, or, as stated in claims 11 and 12, "a substantial part of the power required" being supplied by tension on the delivered strip. Claims 24, 25 and 26 state that the rolls are "driven largely" by tension on the delivered strip.

This patent was also involved in the *Republic Steel* case and was held valid by both the District Court and by this Court on appeal. It was also held valid by the District Court for New Jersey in *Cold Metal Process Co. v. American Sheet & Tin P. Co., supra*, 22 F. Supp. 75, 79, which ruling was affirmed by the Court of Appeals for the Third Circuit in the opinion which was subsequently withdrawn following a settlement between the parties, hereinabove referred to.

In the present cases *Bliss* and *Greer* contend (1) that the words "relatively small" as applied to the size of the working rolls should be construed as meaning a small roll *per se* rather than small rolls in relation to the size of the backing up rolls, and (2) that the words "driven principally," "driven largely" and "substantial part," as applied to the amount of power provided by tension should be construed as meaning not less than 49% of the total power.

The District Judge was of the opinion that tension on the strip performed a new function, providing the principal source of motive power in a mill in which the work rolls were also powered, and that although it was a combination of old elements, they performed new func-

tions and produced a new and different result, which satisfied the requirements for a valid combination patent.

However, he pointed out in his opinion that during the entire prosecution of the patents the position was taken that small work rolls themselves, not work rolls in relation to their backing rolls, was the important feature, and that the proper size of the work rolls was to be found in the specifications, which limited the size of the work roll to six inches. He was also of the opinion that in order to have the ability to bite into the strip over such a range of hardness that reductions may be taken down to tin plate gauge without intermediate annealing, it was necessary to have a work roll small *per se*.

With respect to the amount of tension provided for driving the rolls, the District Judge stated that any mill employing a tension reel for winding and keeping the strip taut is inevitably driven to some extent by the tension on the strip. He cited several prior patents teaching the use of varying degrees of tension on the strip in conjunction with rolling mills, none of which, however, taught the use of tension on the strip as the main source of motive power for the mill. He reasoned, therefore, that that was the only area open for Steckel to claim as his invention, and that in order for the claims to be valid they must be restricted to operation in the range not less than 49% of the total power.

He ruled that considering patent 016 as a patent on a 4-nigh rolling mill with roller bearings on the backing rolls having work rolls of six inches in diameter or less, and employng tension on the strip of 49% or more of the

total power of the system, it was a valid combination patent.

Cold Metal and the Trustee contend that with respect to the ruling on "relatively small" working rolls the District Judge failed to give effect to Steckel's teaching as shown by his specification; that the specification of a work roll with a diameter of less than six inches was for "ordinary work" only, which at that time was not more than 20 inches in width; that the ruling completely overlooks the relationship between diameter and length, which is of importance on the question of whether the rolls are self supporting or will withstand the spreading force due to rolling; that there is nothing in the assertions to the Patent Office which could justify reading the six inches limitation into the claim, but, on the contrary, the file history shows that Steckel was refusing during the prosecution of the case to place a definite or numerical limitation on the size of the work rolls because of the wide variations encountered in conducting rolling operations. Some of these variables are metal thickness, metal width, reductions per pass, ultimate thinness, prior rolling history of the metal and composition of the metal, causing Steckel to be unwilling to place in his claims a numerical limitation like that which the District Judge read therein.

Cold Metal and the Trustee contend that with respect to the ruling on the amount of tension involved this ruling of the District Judge considered only the claims that state that a "substantial" part of the power for driving the mill is supplied by tension, and that other claims specify that the mill is to be driven "largely" by tension, while still other claims specify

that the "principal" driving power is furnished by tension; that these different terms obviously have different meanings in that it is well settled that one claim of a patent will not be construed in such a way as to make it substantially identical with another claim; and that such a difference in meaning was recognized and approved by the District Judge in the *Republic Steel* case, which was affirmed on appeal by this Court.

In the *Republic Steel* case the District Judge held that although tension in varying degrees had been used in prior art mills, it was so used only for the purpose of winding up the strip and guiding it through the rolls; in no case had it ever been used in a combination such as Steckel disclosed, where it was to play a material role in driving a mill in the cold rolling of high ratio metal strip. Therefore, in construing "substantially" he said that it must be assumed that Steckel intended that forward tension would be used in quantities at least in excess of those needed merely to fulfill the prior art function. In saying that forward tension would constitute the "principal" driving power he said Steckel indicated that forward tension would contribute more to the driving of the mill than the power applied to the work rolls. In stating that the mill would be "largely" driven by forward tension, he reasoned that it must be assumed that he intended to devote a value, separate and independent of the values represented by "substantially" and "principally," and, accordingly, he construed "largely" to mean that forward tension must make more than just a material contribution, but it need not be greater than 50%, as required by "principally," and that it meant a value intermediate between "substantially" and "principally."

What we have previously said about *stare decisis* in our discussion of patent 195 is equally applicable to patent 016. The construction of a patent is a question of law for the Court. *Coupe v. Royer,* 155 U. S. 565, 579-580; *Motor Wheel Corporation v. Rubsam Corporation,* 92 F. (2) 129, 131, C. A. 6th. As we said in the *Republic Steel* case, "The prior decisions holding these patents valid should be followed unless the court is convinced of 'a very palpable error in law or fact,' . . . ." (233 F. [2] at p. 837.) Although the question is a close one, we are not convinced that there was a very palpable error in our previous rulings in the *Republic Steel* case and, accordingly, are of the opinion that the District Judge was in error in placing upon patent 016 the limitations contained in his ruling.

STATUTE OF LIMITATIONS.

In Equity No. 5402, filed by Bliss on January 20, 1936, Bliss sought a declaratory judgment with respect to the validity and infringement of patents 016 and 195. In its answer filed on May 20, 1939, Cold Metal did not assert a counterclaim. However, on May 26, 1950, Cold Metal and the Trustee, pursuant to permission granted by the Court, filed a counterclaim seeking damages against Bliss for infringement. Bliss claims that at that time the claims for infringement were barred by the six-year Statute of Limitations, in that all of the infringing mills were sold by Bliss more than six years prior to June 1, 1949, on which date the Trustee filed Civil Action No. 26,542 against Bliss, which was the only action by the Trustee which tolled the Statute of Limitations. Bliss, accordingly, filed a motion to dismiss the counterclaim.

The District Judge overruled the motion. In his opinion, reported at *E. W. Bliss Company v. Cold Metal Process Co.*, 156 F. Supp. 63, N. D. Ohio, he pointed out that the complaint in the declaratory judgment action prayed that the patents be declared not only invalid but also not infringed, that the counterclaim sought a ruling on the same issues, namely, a determination of validity and infringement, and that under the provisions of Section 2 of the Declaratory Judgment Act in force at the time, *Sec. 400, Title 28, U. S. Code,* and *Rule 15(c), Rules of Civil Procedure,* the filing of the counterclaim related back to the date when the complaint was filed. These views are well developed in the opinion, together with supporting authorities therefor. For the reasons given by the District Judge, the ruling is affirmed.

INFRINGEMENT.

The District Judge held that certain mills manufactured and sold by Bliss and a mill operated by Greer did not infringe either patent 195 or 016 because these mills had "Margoil" bearings on the necks of the backing rolls. Cold Metal and the Trustee ask us to reverse this ruling. On this particular phase of the case we believe it is sufficient to point out that the question of Margoil bearings was fully discussed by the District Judge in the *Republic Steel* case and also by this Court on the appeal in that case, both of which courts held that mills equipped with Margoil bearings are not covered by the Steckel patents. The principle of *stare decisis* is applicable to Cold Metal and the Trustee as well as to the alleged infringers. Although the District Judge gave it independent consideration and reached the same conclusions, the reasons for which are challenged by Cold

Metal and the Trustee, we are of the opinion that the ruling is controlled by the ruling in the *Republic Steel* case and requires no further discussion at this time. The ruling on this phase of the case is affirmed.

With respect to certain mills which were charged to infringe patent 195, the District Judge found that by reason of the fact that the backing rolls were mounted with roller bearings these mills infringed patent 195. The appeal of Bliss does not challenge these findings, which are, accordingly, accepted.

With respect to the infringement of patent 016 the District Judge ruled that the mills with working rolls over six inches in diameter did not infringe the patent. With respect to other mills with working rolls of six inches or under, he ruled that patent 016 was infringed only by those mills which were so powered that in the course of normal operations would have 49% or more of the total power supplied by tension on the strip, and that none of these mills was manufactured by Bliss so as to operate in a normal manner which would infringe patent 016.

This ruling was consistent with the limitations placed upon the patent by the District Judge. Since we have held that patent 016 should not be so limited, the ruling is based upon an incorrect premise and must be set aside. Upon remand of the case the question of infringement of patent 016 will be reconsidered by the District Judge in the light of the construction placed upon the patent by this opinion.

DAMAGES.

With respect to the measure of damages for infringement of patent 195, the District Judge held that Cold Metal and the Trustee were limited to the stipulated royalty provided by the contract between Cold Metal and United, dated June 20, 1927, that they were only entitled to collect one royalty per mill, and that such royalty was properly collected from Bliss rather than from Greer. The provisions of that contract and the circumstances under which it was executed are set out in the opinions of the District Court and this Court in the *Republic Steel* case and will be found at 123 F. Supp. at pages 545-547 and 233 F. (2) at pages 843-844. They need not be restated here.

Under the contract Cold Metal granted to United "a license to make, use and sell rolling mills under such claim or claims, which license shall be exclusive to United for 4-high hot mills and for 4-high cold mills, in which the major portion of the power required by a roll stand is applied to the rolls directly and not through tension exerted on the material for pulling it through the rolls; Cold Metal, however, reserving the right to make or have made for its own use and to use in its own plant or plants such hot and cold mills, . . ."

This license agreement has also been the subject of much litigation, in which its validity has been upheld and the amount of the royalty fixed. *Cold Metal Process Co. v. United Engineering & Foundry Co., supra,* 3 F. Supp. 120, 130-131; appeal dismissed 68 F. (2) 564, C. A. 3rd, cert. denied, 291 U. S. 675; *Cold Metal Process Co. v. United Engineering & Foundry Co.,* 107 F. (2) 27, C. A. 3rd; *Cold Metal Process Co. v. United Engineering &*

Foundry Co., 190 F. (2) 217, C. A. 3rd; *Cold Metal Process Co. v. United Engineering & Foundry Co.*, 132 F. Supp. 597, affirmed 235 F. (2) 224, C. A. 3rd, to which reference is made.

The District Judge reasoned that under the contract, in the field of cold mills where the major power was applied directly to the rolls, United's license was exclusive, with Cold Metal having only a shop right with respect to such mills. As to mills where tension on the strip supplied the major or principal source of power, Cold Metal retained the sole right to make, use and sell such mills, and that since patent 195 related only to the basic mill structure itself and was not concerned with tensions, United had the sole right to make, use and sell to the public the basic mill structure itself, which was all patent 195 covered. It followed that the only interest which Cold Metal had in this basic mill stand was the right to collect royalties for its manufacture, use or sale. He further reasoned that in case of infringement in this field by Bliss and Greer, any damage in excess of the royalty due from United was damage to United, who, under the license, had the exclusive right to make, use and sell the mills, and if Cold Metal was permitted to collect from Bliss and Greer in excess of the stipulated royalty per mill, it could be held to account for United for such sum.

Cold Metal contends, however, that an action for infringement could not be maintained by a licensee, and since it had not granted licenses to Bliss and Greer, with a stipulated royalty therein provided, they were infringers whom the owner of the patent should be entitled to sue for whatever the actual damages are proven to be. Under such circumstances, they contend, any later

adjustment between Cold Metal and United, which would give to United the damages collected by Cold Metal in excess of the stipulated royalty to be paid by it, was a matter with which the Court in this action was not concerned and which should be left to the parties for later disposition between them.

The District Judge answered this contention by pointing out that if United took no action to recover the excess from Cold Metal, Cold Metal would be unjustly enriched. If United did sue Cold Metal to recover such excess, it would mean another law suit in this seemingly interminable litigation, and also give United an opportunity to collect damages for such infringement, although a direct claim for damages against Bliss and Greer was barred by the Statute of Limitations. Accordingly, he limited damages to one royalty per mill. See: *Marks Music Corp. v. Vogel Music Co.*, 140 F. (2) 268, C. A. 2nd.

We concur in the reasoning and the ruling of the District Judge. The grant of an exclusive license to United to "make, use and sell" the mills in question limited Cold Metal's income from patent 195 to the stipulated royalty for each mill. The ruling complies with the fundamental purpose of that contract, even though some of the mills were manufactured by Bliss instead of by United. To allow Cold Metal to recover more than the royalty for each mill would place it in a better position by reason of the infringement than it would have been in if there had been no infringement. Any claim for damages against Bliss and Greer equitably run in favor of United rather than in favor of Cold Metal as the legal owner of the patent, because of the exclusive license given to United to "make, use and sell" the mills.

This right can be enforced by such an exclusive licensee. *Wireless Co. v. Radio Corp.*, 269 U. S. 459, 469; *Bredin v. Solmson*, 145 F. 944, 945, C. C. Md. See also: *National Metal Weather Strip Co. v. Bredin*, 186 F. 490, 493, C. A. 3rd; *General Motors Corporation v. Blackmore*, 53 F. (2) 725, 727-728, C. A. 6th. It is true that United did not elect to enforce its rights against Bliss and Greer, and now is barred by the Statute of Limitations from doing so. But, we do not see how that confers any greater right on Cold Metal than it would have had if United had taken such action.

Cold Metal complains of the action of the District Judge in ruling on the measure of damages when the amount of damages was being reserved for later consideration and no evidence was received on the issue. The ruling on the measure of damages involved a question of law arising out of undisputed facts. The judgment entered left for future determination the amount of damages. On the legal question involved, Cold Metal has had full opportunity to be heard. We fail to see how Cold Metal has been prejudiced in the matter or would be in any better position by having the ruling set aside at the present time for the reason relied upon, and have the ruling made by the District Judge at a later time and then reviewed by this Court in another appeal. On the contrary, we think the ruling looks to a better and more expeditious handling of this litigation when the question of the amount of damages is hereafter considered by the District Court. We find no prejudicial error in the ruling of the District Judge.

LIABILITY OF GREER.

One of the mills purchased by Greer, and which was found by the District Judge to infringe patent 195 was purchased by Greer from United, rather than from Bliss, on November 9, 1928. United's proposal for the sale stated that the mill was covered by patent No. 1,654,235, hereinafter referred to as patent 235 owned by United, and that the purchase of the mill included license for its use under said patent. This patent was the patent issued under the Biggert and Johnson application, which was owned by United at the time, but which later through interference proceedings in the Patent Office became patent 195 issued to Cold Metal on October 21, 1930. (See opinions in the *Republic Steel* case for history of these proceedings.) Accordingly, at the time of the sale patent 195 had not issued.

It is clear from the ruling in the *Republic Steel* case that by reason of the contract of June 20, 1927, by which Cold Metal granted United an exclusive license, a purchaser of a mill from United after patent 195 issued to Cold Metal, would be immune from liability for infringement of patent 195. Cold Metal contends, however, that since the sale was prior to the issuance of patent 195 and prior to the effective date of the exclusive license to United, the purported license by United to Greer under patent 235 did not provide any immunity from infringement of patent 195 when it later issued.

There would be merit in this contention except for the particular circumstances leading up to the issuance of patents 235 and 195, hereinabove referred to. Giving consideration to those proceedings, the District Judge ruled that Cold Metal having made it possible by the

agreement of June 20, 1927, and the course of procedure followed under it, it would not seem equitable and just for Cold Metal to compel Greer to pay twice for its license. He held that on principles of equity Cold Metal was estopped from asserting its claim against Greer for infringement by the use of the mill purchased from United. We concur in the ruling.

With respect to other mills bought by Greer from Bliss, for the use of which the Trustee sought damages against Greer for infringement of patent 195, the District Judge, having held that the Trustee was only entitled to collect one royalty per mill, also ruled that this royalty was properly collected from Bliss rather than from Greer. He, accordingly, absolved Greer from liability and entered a judgment in the action against Greer dismissing the complaint.

We think this was error. The ruling does not give consideration to the difference between *liability* and *recovery*. Although recovery is properly limited to the amount of the royalty for each mill, liability, under which recovery can be made, is not limited to Bliss alone. Bliss infringed by making and selling the mill. Greer infringed by using it. There was a cause of action against each of them, although the total *recovery* under the separate judgments was limited. If Bliss does not pay the full damages provided by the judgment against it, the Trustee should have the right to collect the unpaid portion of the damages against Greer, the other infringer. *Birdsell v. Shaliol,* 112 U. S. 485; *De Laski & Thropp C. W. T. Co. v. Empire Rubber & Tire Co.,* 239 F. 139, 143, D. C. N. J.; *Kryptok Co. v. Stead Lens Co.,* 190 F. 767, C. A. 8th. Unless a judgment is entered

against Greer, the Trustee will lose this right. Whether the judgment will have to be paid by Greer in whole or in part depends upon what collection is made from Bliss.

The claim against Greer for using an infringing mill manufactured by Bliss is very different from a claim against Greer for using a mill manufactured by United. United's license gave it the right to "make, use and sell" the patented mill, which included the right of a purchaser from it to use the mill. Bliss had no right to make, use or sell the mill. It was an infringer instead of a licensee, and could pass no right to use the mill to a purchaser from it. Accordingly, Greer infringed as well as Bliss.

APPEAL NO. 13,997.

The Trustee filed Civil Action No. 26,542 against Bliss as a precautionary action to toll the Statute of Limitations with respect to its infringement claims against Bliss, in the event the District Judge should overrule its pending motion to file its counterclaim against Bliss in Equity No. 5402, or it should be finally held that the District Judge was in error in permitting the counterclaim to be filed. If he was not permitted to prosecute the infringement claims by his counterclaim in Equity No. 5402, he would still be in a position to prosecute them in this later action to the extent that they were not already barred by the Statute of Limitations when the action was filed.

The District Judge, after ruling that the counterclaim was correctly filed, properly dismissed Civil Action No. 26,542. Appeal No. 13,997 was taken by the Trustee from this judgment in order to still maintain his right in the event the ruling permitting the counter-

claim to be filed was reversed in Appeal No. 13,995. Since the ruling of the District Judge permitting the counterclaim to be filed is being affirmed by this Court in Appeal No. 13,995, the ruling of the District Judge dismissing the independent action, Civil Action No. 26,542, is also affirmed.

COSTS.

Appeals Nos. 13,994, 13,996 and 13,997 came to us on a consolidated appendix. In them, Cold Metal and the Trustee were successful in reversing the ruling on the limited validity of patent 016 and in reversing the final judgment in the action against Greer, Appeal No. 13,996. Bliss and Greer were successful in the ruling on the Margoil bearings, limitation of the amount of damages, the immunity of Greer from infringement through the use of the mill purchased from United and the dismissal of the independent action filed by the Trustee against Bliss, Appeal No. 13,997. We are of the opinion that the costs should be evenly divided between Cold Metal and the Trustee on the one side, and Bliss and Greer on the other. If the parties on either side are unable to agree as to the division between them, application may be made to this Court to settle the issue.

Appeal No. 13,995 comes to us on a separate appendix. In it Bliss was unsuccessful on the issue of the validity of patent 195, the filing of the counterclaim, and the Statute of Limitations. Cold Metal and the Trustee are entitled to their costs in this Court in this appeal. Since the proceedings in the District Court were a part of Equity No. 5402, out of which Appeal No. 13,994 also arose, the costs in the District Court will be divided evenly between the opposing parties.

In Appeals No. 13,994 and No. 13,995, the judgment of the District Court in Equity No. 5402 is affirmed in part and reversed in part in accordance with the rulings stated in this opinion and the case remanded to the District Court for further proceedings consistent with the views expressed herein.

In Appeal No. 13,996 the judgment of the District Court in Civil Action No. 24,189 is reversed and the case remanded to the District Court for further proceedings consistent with the views expressed herein.

In Appeal No. 13,997 the judgment of the District Court in Civil Action No. 26,542 is affirmed.

Judgments of the Court of Appeals.

No. 13,994

Judgment

December 21, 1960

APPEAL from the United States District Court for the Northern District of Ohio.

THIS CAUSE came on to be heard on the transcript of the record from the United States District Court for the Northern District of Ohio, and was argued by counsel.

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed in part and reversed in part in accordance with the rulings stated in the opinion and the case remanded to the District Court for further proceedings consistent with the views expressed in the opinion herein.

Approved for entry:

/s/ SHACKELFORD MILLER, JR.
United States Circuit Judge

No. 13,996

Judgment

December 21, 1960

APPEAL from the United States District Court for the Northern District of Ohio.

THIS CAUSE came on to be heard on the transcript of the record from the United States District Court for the Northern District of Ohio, and was argued by counsel.

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby reversed and the case remanded to the District Court for further proceedings consistent with the views expressed in the opinion herein.

Approved for entry:

/s/ SHACKELFORD MILLER, JR.
United States Circuit Judge

No. 13,997

Judgment

December 21, 1960

APPEAL from the United States District Court for the Northern District of Ohio.

THIS CAUSE came on to be heard on the transcript of the record from the United States District Court for the Northern District of Ohio, and was argued by counsel.

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

Approved for entry:

/s/ SHACKELFORD MILLER, JR.
United States Circuit Judge

Excerpts From the Opinion of the District Court Pertinent to the Issue Raised by the Petition

* * * * * * *

While the Morgoil bearing issue might well have been discussed under the subject of infringement, since mills equipped with Morgoil bearings are charged to infringe '195 patent, I think it also is pertinent to the validity of the patent so I will consider it here.

The Morgoil bearing was not invented until 1932 (10 years after Steckel's conception in July, 1922). It was covered by patents owned by the Morgan Construction Company of Worcester, Massachusetts.

In essence, the Morgoil bearing is merely an improvement of the old brass or bronze sliding bearing which had been in use on all types of rolling mills long before Steckel. It depends upon the sliding action of two highly polished surfaces upon each other. The Morgoil bearing is fully enclosed. A film of oil is maintained under pressure between the bearing surfaces, which slide on the oil. This results in a low coefficient of friction comparable to that of the best roller bearings. The enclosure keeps out dirt, water and all foreign matter. The bearing will accommodate heavy loads at high speeds. It does not require the radial space of roller bearings.

The bearing is most efficient at high speeds which do not affect its life. This is not true of roller bearings.

In its catalogue describing the bearing, The Morgan Construction Company discussed the difficulties encountered by the rolling mill industry with bearings and related its research work on the subject and the reasons therefor stating:

> Realizing these difficulties, the Morgan Construction Company undertook some extensive research work to determine the ability of a correctly designed and proportioned, flood-lubricated, *plain bearing* to withstand the heavy rolling loads encountered in modern hot and cold rolling practice. From this research work was developed the MORGOIL roll neck bearing. Hundreds of these bearings are now in operation on all types of hot and cold mills and their performance is exceeding our greatest expectations. (Emphasis added)

Consideration of the Morgoil bearing emphasizes the invalidity of Steckel '195.

As mills equipped with Morgoil bearings are charged by Cold Metal as infringements of '195, they must be considered as achieving the same desirable results as the roller bearing mills of that patent.

The Morgoil bearing being in essense an improvement of the old plain sliding bearing it can be said that Cold Metal is claiming a valid patent on the ancient 4-high mill when its plain sliding bearing is improved by another inventor, as to reach a low coefficient of friction. No invention resides in taking the bearing of Morgan Construction Company and placing it on the backing roll necks of a 4-high mill.

If it was invention for Steckel to apply roller bearings to the necks of the backing rolls of a rolling mill (which roller bearing manufacturers had been advocating for a long time), I see no good reason why a patent could not be obtained for the use of Morgoil bearings in the same manner. This might be rough on Mor-

gan Construction Company, which invented the bearings, for its patent would be useless if the invention could not be used for the purpose for which it was intended without paying tribute to another.

Nor can I see any valid reason why Steckel's conception should be extended to embrace all future inventions relating to improvements in bearings for rolling mills.

* * * * * * *

Four of the mills (Items 1, 2, 11, 13) have Morgoil bearings on the necks of the backing rolls and are charged to infringe Patents '195 and '016.

I have previously discussed the Morgoil bearing issue in treating on the validity of '195 and what was said there need not be repeated here. A mill equipped with Morgoil bearings lacks one of the essential elements of Steckel's combination, namely, roller bearings. As has been pointed out a Morgoil bearing is not a roller bearing and operates on an entirely different principle, namely, on a film of oil maintained under pressure between the moving parts in the bearing enclosure. I, therefore, find that mills equipped with Morgoil bearings do not infringe either Patent No. '016 or '195.

* * * * * * *

Judgments of the District Court

Judgment in Equity No. 5402.

[Filed May 8, 1959]

Upon consideration of the pleadings and evidence, the court finds that Patent No. 1,779,195 is valid and infringed by the following mills manufactured and sold by the plaintiff, E. W. Bliss Company:

OX-2	Page Nos. 8-9	Item 4
	12-13	8
	12-13	9
	12-13	10
	12-13	11
	12-13	14
	12-13	16
	12-13	17
	12-13	19
	12-13	20
	14-15	21
	14-15	22
	14-15	23
	14-15	24
	14-15	26
	14-15	31
	14-15	37
	16-17	38
	16-17	39
	16-17	40
	16-17	42
	6-17	45
	16-17	46
	18-19	71

The issues with respect to accounting will be later determined by the court in accordance with the memorandum filed.

The court further finds that Patent No. 1,744,016 is valid, but the claims are limited in scope to mills having work rolls six inches in diameter or less and employing tension on the strip of 49% or more of the total power of the system. The court finds no infringement of Patent No. 1,744,016 by the mills in suit.

It is ordered that each party bear its own costs.

s PAUL C. WEICK
United States District Judge

Order Correcting Judgment in Equity No. 5402.

[Filed June 3, 1959]

Upon consideration of the motion of E. W. Bliss Company to correct the opinion and order entered May 8, 1959,

IT IS ORDERED that said motion is granted and the following mills are deleted from the list of those found to infringe Steckel Patent No. 1,779,195:

OX-2	Page Nos.	8-9	Item 4
		12-13	8
		14-15	21
		16-17	42

and jurisdiction is reserved to determine infringement of said patent by the mill described in Item 4, OX-2, Pages 8-9.

s PAUL C. WEICK
United States District Judge

Judgment in Civil Action No. 24,189.

[Filed May 8, 1959]

Upon consideration, and in accordance with the memorandum filed,

IT IS ORDERED that the complaint is hereby dismissed, each party to bear its own costs.

/s/ PAUL C. WEICK
United States District Judge

Judgment in Civil Action No. 26,542.

[Filed May 8, 1959]

Upon consideration, it appearing that the same issues having been determined in Equity No. 5402,

IT IS ORDERED that the complaint is hereby dismissed, each party to bear its own costs.

/s/ PAUL C. WEICK
United States District Judge

APPENDIX B

Excerpts from the Opinion of the Court of Appeals in Cold Metal et al. v. Republic Pertinent to the Issue Raised by the Petition

* * * * * * * *

Before SIMONS, Chief Judge, ALLEN and MCALLISTER, Circuit Judges.

ALLEN, Circuit Judge. These appeals arise out of an action for injunction and accounting for infringement of Patents Nos. 1,744,016 and 1,779,195 for improvements in rolling mills, referred to hereinafter as Patents '016 and '195, issued to Abram P. Steckel.

* * * * * * * *

As to defendant's 98-inch Hot Mill, the No. 1 Tandem Mill, and the 54-inch Tandem Mill, which carry Morgoil bearings, the District Court found that no infringement existed. The Morgoil bearing is a sliding bearing cooled by a lubricant and sealed so as to exclude dirt, water, and other foreign matter. Oil is inserted under pressure and a film of oil is maintained between the back of the sleeve and the bushing, upon which film the roll neck and the sleeve ride. The structure of the Morgoil bearing is totally different from that of the roller bearing in which the load is carried on rolling elements or parts. While it is conceded that the Morgoil bearings perform all the functions of caged roller bearings, the District Court found them so different in structure that the mills employing them do not infringe. It also pointed out that Morgoil bearings were not installed on rolling mills until after the Steckel patents were issued.

As to the last-mentioned point the Supreme Court in several cases has held that this circumstance is immaterial. Cf. *Morley Sewing Machine Co. v. Lancaster*, 129 U. S. 263, in which the infringing machine was made under a patent issued a year and a half after the patent held to be infringed. See also *Cochrane v. Deener*, 94 U. S. 780; *Machine Co. v. Murphy*, 97 U .S. 120.

On this point, however, these old decisions have been overruled in effect in *Halliburton Oil Well Cementing Co. v. Walker*, 329 U. S. 1. The Supreme Court there condemned the claim of Walker "that his patent bars anyone from using in an oil well any device heretofore or hereafter invented which combined with the Lehr and Wyatt machine performs the function of clearly and distinctly catching and recording echoes from tubing joints with regularity." It declared: "Yet if Walker's blanket claims be valid, no device to clarify echo waves, now known or hereafter invented, whether the device be an actual equivalent of Walker's ingredient or not, could be used in a combination such as this, during the life of Walker's patent," and specifically ruled against Walker's contention. *Halliburton Oil Well Cementing Co v. Walker, supra*, 13.

As to the structural difference, claims 7 and 14 of '195 specifically require roller bearings and hence are not infringed by Morgoil. To construe the apparatus claims which call for "anti-friction bearings" (claims 3, 4, 6, 8, 11, 12, 13, and 16) or "anti-friction mountings" (claims 15 and 17) as including such a different type of means for reducing the coefficient of friction as a bearing which achieves its result through lubrication does violence to the specifications. It is unnecessary to re-

view in detail the discussion of the meaning of "anti-friction mounting" and "anti-friction bearing" in deciding this relatively minor point. The fact remains that Morgoil is so completely different in structure and operation that it cannot be said to secure the same result as the roller bearing in substantially the same way. Hence it is not an equivalent of the roller bearing. The judgment of the District Court upon this feature of the case was correct.

* * * * * * *

The 98" Hot Mill is not accused of infringing '016. The remaining five mills found by the District Court to infringe '195 were found also to infringe 016 and we accept this finding.

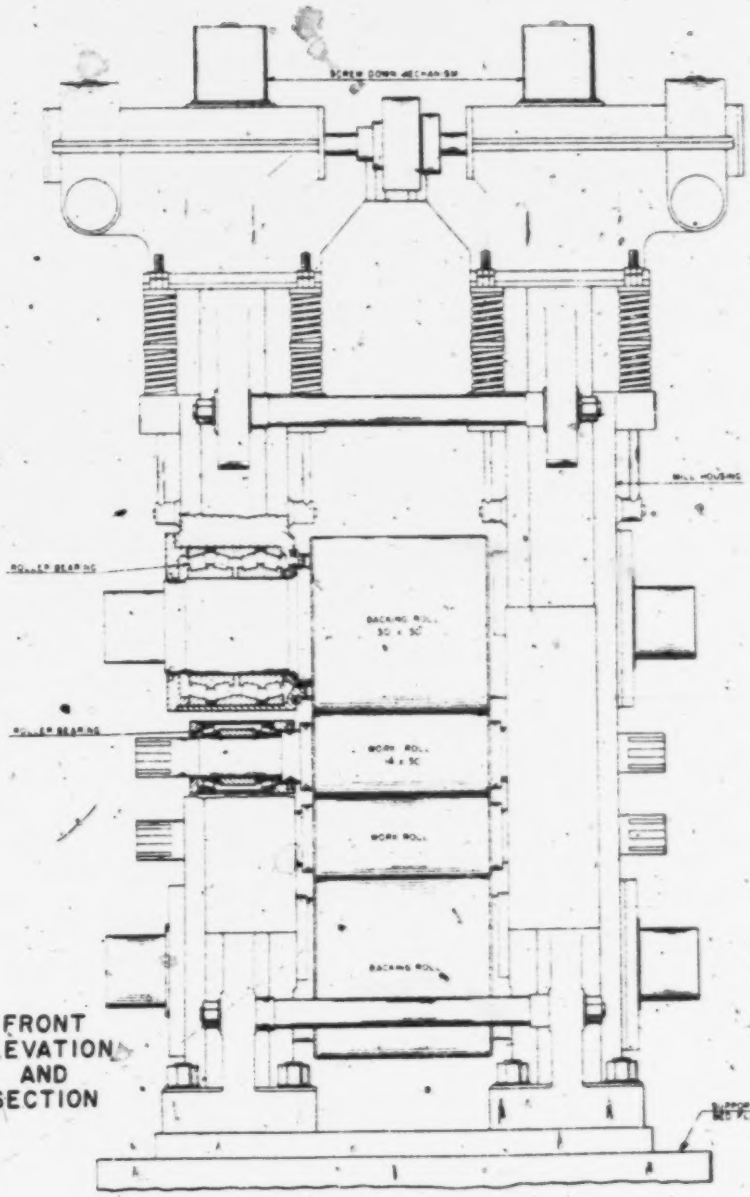
* * * * * * *

The judgment of the District Court in each case is affirmed.

* * * * * * *

Exhibit PS-36

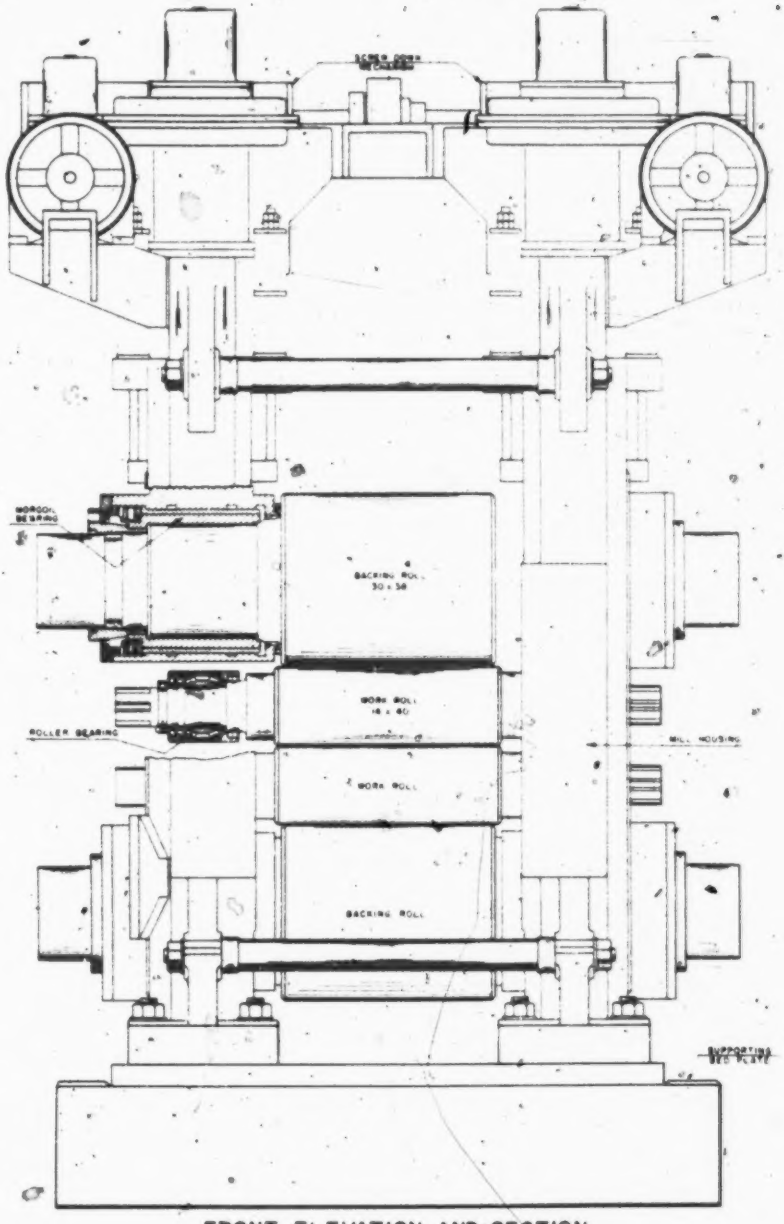
GREER STEEL COMPANY
THREE STAND TANDEM MILL



FRONT ELEVATION AND SECTION

Exhibit PS-38

GREER STEEL COMPANY
FIVE STAND TANDEM MILL



FRONT ELEVATION AND SECTION

Portions of Exhibit PS-74

The MORGOIL Roll Neck BEARING

MORGOIL bearings are fully protected by United States and foreign patents.

MORGAN CONSTRUCTION COMPANY

ENGINEERS AND MANUFACTURERS

ROLLING MILLS · WIRE MACHINERY · GAS PRODUCERS

COMBUSTION CONTROLS

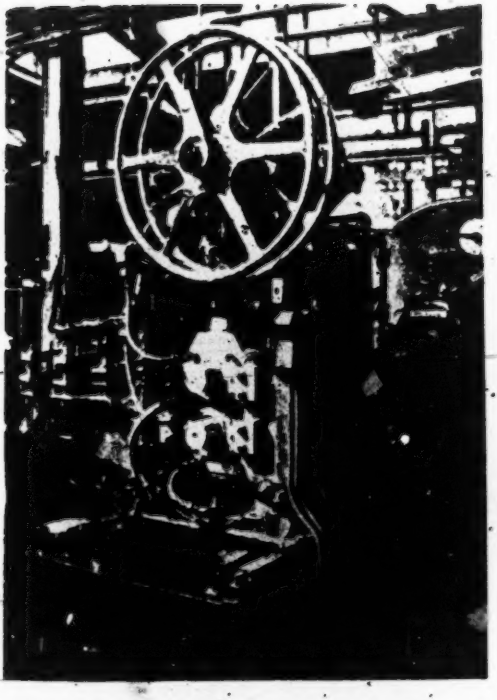
WORCESTER · MASSACHUSETTS · U.S.A.

PITTSBURGH OFFICE: 2028 KOPPERS BLDG.

European Representative

International Construction Co., Ltd. · 56 Kingsway · London W. C.2 · England

Portions of Exhibit PS-74



Installation of MORGOILS on a 2-high cold mill. These bearings replaced roller bearings previously used.

.0012, on relatively slow speed installations, to .0035 on very high speed stands such as the finishing stands of continuous rod mills. The corresponding coefficients of friction for roller bearings on roll necks vary from .002 to .003 so it can be seen that the actual power savings possible with MORGOIL bearings are the same as for roller bearings.

The amount of power which is daily being thrown away by the steel industry, where the old types of conventional roll neck bearings are still in use, is almost inconceivable. Where MORGOIL bearings have replaced old fashioned bearings on 2-high hot strip mills, sheet bar mills, etc., the kilowatt hours per ton of product produced have in many cases been reduced by more than 50%. The tables on page 8 give some actual power figures taken from mills equipped with MORGOIL bearings.

Due to absence of wear in the bearings, a mill on which MORGOILS are installed can produce an exceptionally accurate product, and the only adjustment of roll setting that is necessary is caused by the wear of the rolls themselves. The product of a MORGOIL equipped mill cannot be duplicated with any other type of bearing. Records show that a rod mill is turning out No. 5 rods accurate to plus or minus .005", not only in one coil but from one coil to another over a long run. With more frequent attention to pass maintenance the variation is as low as .0035" On a merchant bar mill running on MORGOILS the best previous variation in the size of the product has been cut in half.

The accompanying illustration Fig. 1 shows a cross section of a tapered neck MORGOIL bearing. Tapered Neck Bearings are used in most installations as a tapered neck gives greater strength and stiffness and simplifies the mounting of the bearings on the necks. Straight neck bearings are used on some cold mills with hardened or alloy steel rolls. All

Portions of Exhibit PS-74

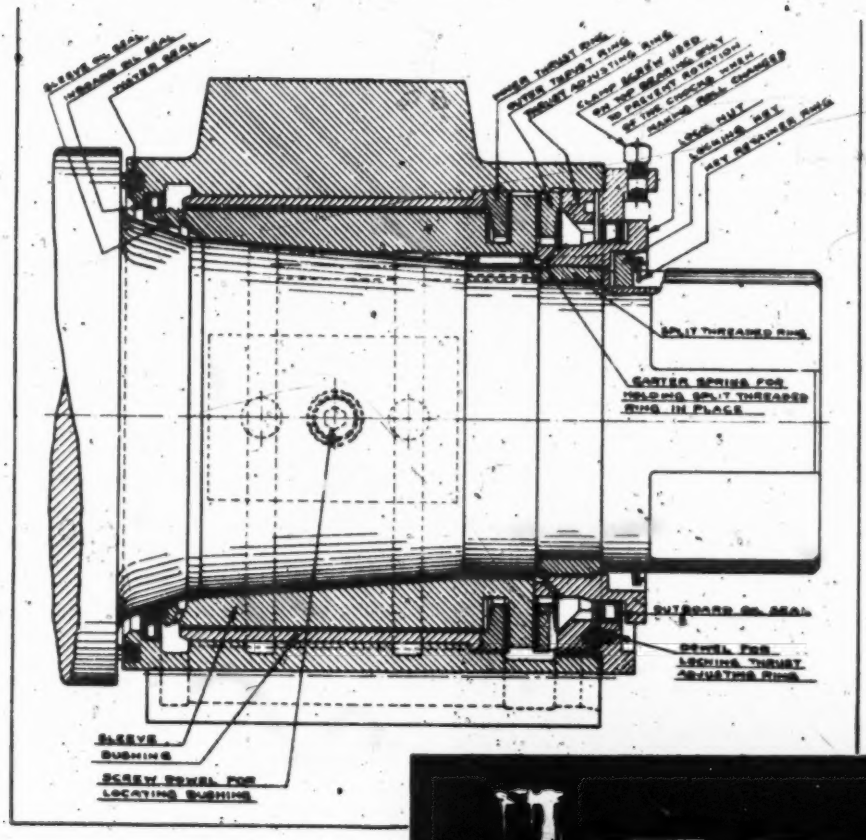

SPLIT THREADED RING
GARTER SPRING FOR HOLDING SPLIT THREADED RING IN PLACE
OUTBOARD OIL SEAL
DOWEL FOR LOCATING THRUST ADJUSTING RING
SLEEVE BUSHING
SCREW DOWEL FOR LOCATING BUSHING

Fig. 1.

Typical cross section assembly of a MORG-OIL bearing designating the various parts and clearly illustrating the simple and compact design.

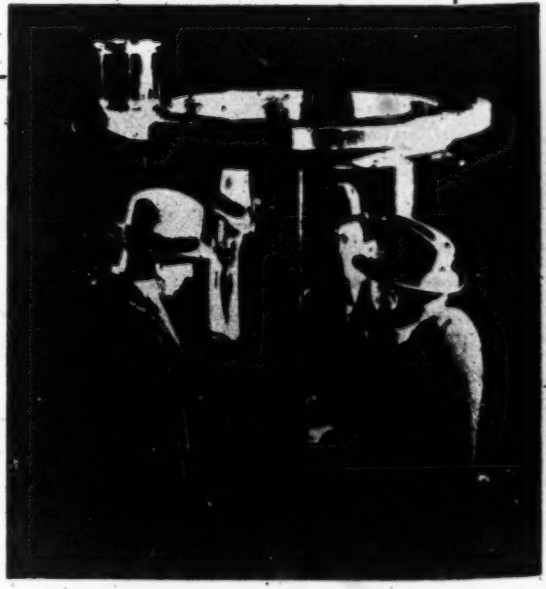


Fig. 2.

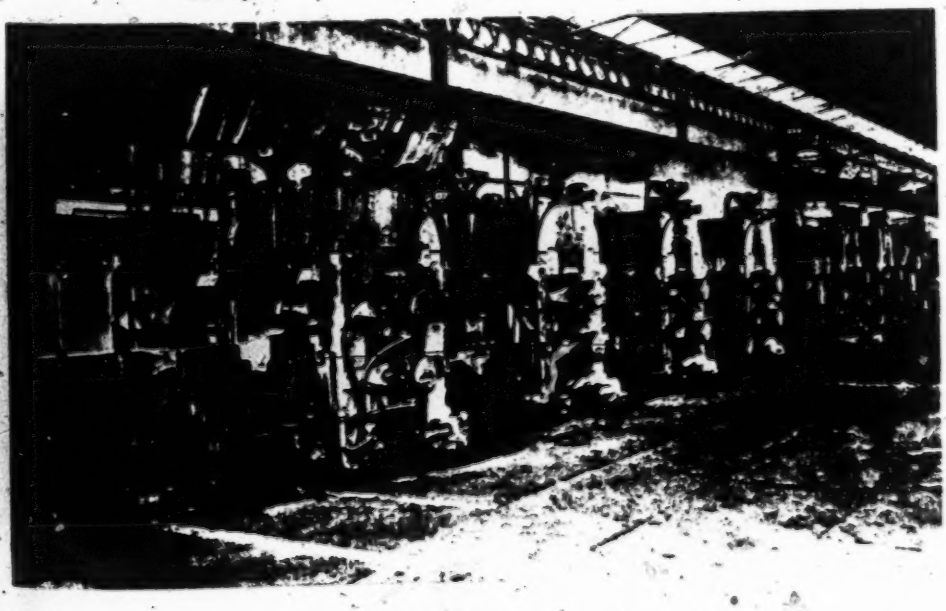
Sleeve journal for a 58" back-up roll showing typical mirror finish. The bearing in which this sleeve is used has a continuous full load capacity of 5,250,000 lbs.

Portions of Exhibit PS-74

parts of the bearing are fully enclosed in a heavy cast steel chock. Each bearing is provided with a sleeve or inner race which is an integral part of the bearing assembly, but which becomes a part of, and rotates with, the roll neck when the bearing is mounted on the roll, thus serving as the journal, instead of the roll neck. These sleeves are made of forged alloy steel, hardened and ground to a perfect mirror finish. Fig 2 is an actual photograph illustrating the high finish of a typical sleeve. Surrounding the sleeve is a steel bushing, lined with a special bearing metal alloy that has been found most suitable for this purpose. The alloy is securely bonded to the steel bushing by a special process which gives a bond strength equal to the ultimate strength of the bearing metal itself. The surface of the bearing metal is very accurately machined with a diamond tool, and the highly polished sleeve, rotating in this bushing, with an oil film separating the two surfaces gives a bearing with a coefficient of friction, load carrying capacity and absence of wear that cannot be found in any other type.

At the outboard end of the sleeve there is a flange which rotates between two

A modern six stand 19" billet and sheet bar mill equipped with MORGOIL bearings.



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APR 15 1961
JAMES R. BROWNING, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1960

No. 818

THE COLD METAL PROCESS COMPANY and THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, TRUSTEE,

Petitioners,

v.

E. W. BLISS COMPANY and GREER STEEL COMPANY,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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April 15, 1961

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Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

No valid reason exists for the granting of the requested writ.

The holding sought to be reviewed is not in conflict with the applicable decisions of this Court. It is not in conflict with the law as applied in other Circuits. Nor does it involve an issue of public importance. It is an entirely conventional holding of non-infringement of two patents which expired 14 years ago. The holding is based on the Court of Appeals' prior ruling on the same issue in an earlier infringement action, a ruling which unanimously affirmed a finding rendered by the District Court after a lengthy trial before a Master, and a ruling which this Court declined to review on certiorari. The holding is also in accord with a finding made in the present case, after another lengthy trial, by a different judge of the same District Court, who gave the

issue independent consideration and reached the same conclusion as the District Court and Court of Appeals in the prior action.

The reasons relied on by petitioners as a basis for the granting of the writ are non-existent and synthetic, and have previously been presented to, and rejected by, this Court.

QUESTION PRESENTED

Are patent owners against whom a complicated issue of fact relating to infringement has been resolved by all courts which have considered the issue, entitled to another hearing on that issue in this Court?

STATEMENT OF THE CASE AND ARGUMENT

The review sought by the petition is concerned only with that part of the decision below which holds that petitioners' patents are not infringed by respondents' metal-rolling mills whose backing rolls are mounted in plain or sliding bearings of an improved type (known commercially and in the opinions as "Morgoil" bearings) and do not use the roller-bearings (or the wheel-like backing rolls of the '016 patent) which all courts have held were an essential element of the alleged inventions of the patents.

Whether the mills infringe or not depends both (a) upon what the actual inventions of the two patents were, as determined after a full consideration not only of the wording of the patents but also of the history of the art, including importantly the relationship between the patents and the prior art, and (b) upon whether or not the accused mills truly embody those inventions. Infringement is a matter of substance, not merely of words, and courts read the language of patent claims in the light of what they consider to be the patentee's real invention.

Thus, a court may apply the doctrine of equivalents, extending a patent claim beyond the limits of its language (and extending it an amount commensurate with the breadth of the invention made by the patentee), to find infringement by a defendant who, through a colorable evasion, has avoided the words of the claim but not its substance. Conversely, a court may interpret claim language narrowly—often limiting the claim to embodiments expressly disclosed—in order to distinguish the prior art, and will reject charges of infringement by a defendant who may come within the words of the claim (if those words be given a broad literal interpretation) but who had not in fact appropriated what the court considered to be the real invention. The foregoing principles are well settled. See e.g. *Graver Mfg. Co. v. Linde Co.*, 339 U. S. 605, 608-609 (1950); *Westinghouse v. Boyden Power Brake Co.*, 170 U. S. 537, 568-569 (1898); *Computing Scale Co. v. Automatic Scale Co.*, 204 U. S. 609, 621 (1907); *Duff v. Sterling Pump Co.*, 107 U. S. 636, 639 (1882); *Railway Co. v. Sayles*, 97 U. S. 554, 556-557 (1878); *Burr v. Duryee*, 1 Wall (68 U. S.) 531, 572-574 (1863). In the *Graver* case, this Court pointed out (pp. 608-9) that "The wholesome realism" of the doctrine of equivalents

> "is not always applied in favor of a patentee but is sometimes used against him. Thus, where a device is so far changed in principle from a patented article that it performs the same or a similar function *in a substantially different way*, but nevertheless falls within the literal words of the claim, the doctrine of equivalents may be used to restrict the claim and defeat the patentee's action for infringement.
>
> "*What constitutes equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case. Equivalence, in the patent law, is not the prisoner*

of a formula and is not an absolute to be considered in a vacuum. . . ."

"*A finding of equivalence is a determination of fact. . . .*" [Emphasis added]

In the case at bar the question whether petitioners' two patents represent such departures from the prior art that they are entitled to cover mills with Morgoil bearings, as well as the roller bearings (and, in the case of the '016 patent, the wheel-like backing rolls) to which the patents are particularly directed, has twice been decided adversely to petitioners by different district judges, whose independent holdings on this point (based on voluminous evidence relating to the prior art, the nature of the alleged inventions and the accused mills, etc.) were each unanimously affirmed by the Court of Appeals.

In the *Republic* case, involving a record of about 10,000 typewritten pages and about 700 exhibits, Judge Levin after distinguishing the claims of the '195 patent over the prior art—in order to sustain their validity—by limiting their scope (123 F. Supp. at 532):

> "Although Steckel did not use the explicit term 'roller bearings' in all of the apparatus claims, he did use two other expressions—'anti-friction bearings' and 'anti-friction mounting'—which were used interchangeably with roller bearings *in such a manner as to indicate that he meant 'roller bearings' thereby.*
>
> "It appears that 'anti-friction bearings' had the specific meaning in the art prior to and at the time of the filing of Steckel's application of roller bearings. 'Anti-friction mounting', on the other hand, was an expression of Steckel's own devising. Where an expression is used which does not have an explicit meaning in the art but by which the inventor intends to convey an explicit meaning, it is permissible to consult the specifications to ascertain how the in-

> ventor defines such expression. From these specifications it becomes clear that *Steckel had in mind roller bearings on the necks of the backing rolls as the sole means of providing an anti-friction mounting for the backing rolls when he spoke of 'anti-friction bearings' and 'anti-friction mounting,' and the three phrases which he used—'roller bearings,' 'anti-friction bearings' and 'anti-friction mounting'—were all to have that one meaning. Therefore, absent such roller bearings in proper combination with the other elements of the mill, the Blake & Johnson mills did not anticipate or foreshadow Steckel's conception.*" [Emphasis added]

went on to find, logically, that claims which had to be so narrowly construed to preserve their validity could not be extended to cover a separate departure from the prior art—Morgoil bearings—employing a different principle and differing substantially in structure and operation from roller bearings (123 F. Supp. at 530-7, 545):

> ". . . on the No. 1 Tandem, the 54" Tandem, and the 98" hot mills, a Morgoil bearing instead of a roller bearing was utilized during the patent period. *The Morgoil bearing is structurally related to the plain brass or babbit bearings which were characteristic of the prior art mills, but it operates on a hydrodynamic oil film principle.* Instead of the bearings being open and exposed, as was characteristic of the prior art bearings, they are sealed and the lubricant is supplied to the surfaces by a circulating system, in large quantities and under pressure. This results in the maintenance of an oil film between the moving parts, even under heavy loads and at high speeds, and in the exclusion of dirt, water, and other foreign matter. These bearings are fundamentally far superior to the plain open type sliding bearing, and exhibit coefficients of friction which compare favorably with the best roller bearings. The Morgoil bearings were not introduced into the art until the

early 1930s, long after Steckel's conception of his mill and even subsequent to the issuance of '195."

"Plaintiffs contend that the Morgoil bearings respond to the disclosures in the apparatus claims calling for anti-friction bearings and anti-friction mounting. *To accept plaintiff's argument that these expressions were intended to embrace any bearing, present and future, without being limited and defined by that specific disclosure of roller bearings found in the claims and specifications, would make the apparatus claims so broad and inchoate that they would fall victim to the same defect which invalidated the method claims. Plaintiffs cannot, for the purpose of defending the validity of the apparatus claims, have the benefit of the limited meaning which the inventor intended these expressions to have, and then for the purpose of charging an infringement, assert a broader meaning so as to include within their scope another type of bearing, independently developed after the issuance of the patent through the skill and ingenuity of other people.* I, therefore, find that the three mills using the Morgoil bearings do not infringe the apparatus claims of '195."

* * *

"As appeared from the discussion of the accused mills with respect to infringement of '195, they respond in all their other details to the combination disclosed by Steckel in '016, except that the No. 1 Tandem and the 54" Tandem must be relieved of the infringement charge under '016 just as they were under '195. These, it will be remembered, are two of the three Republic mills which utilize the so-called Morgoil bearing on their backing rolls. In '016 Steckel disclosed two specific techniques for achieving an anti-friction mounting—roller bearings and wheel-like backing rolls. I have already found that the Morgoil bearing does not respond to Steckel's disclosure of roller bearings as one technique for achieving such a result. I now similarly find that

> the Morgoil bearing does not respond to Steckel's second technique—the wheel-like backing roll. *The structural and functional properties of the Morgoil bearing are so obviously different from those of the wheel-like backing roll that I need not labor this point.*" [Emphasis added]

In affirming these findings, the Court of Appeals in the *Republic* case said (233 F. 2d at 841, 842):

> "As to defendant's 98-inch Hot Mill, the No. 1 Tandem Mill, and the 54-inch Tandem Mill, which carry Morgoil bearings, the District Court found that no infringement existed. The Morgoil bearing is a sliding bearing cooled by a lubricant and sealed so as to exclude dirt, water, and other foreign matter. Oil is inserted under pressure and a film of oil is maintained between the back of the sleeve and the bushing, upon which film the roll neck and the sleeve ride. *The structure of the Morgoil bearing is totally different from that of the roller bearing in which the load is carried on rolling elements or parts.* While it is conceded that the Morgoil bearings perform all the functions of caged roller bearings, the District Court *found them so different in structure that the mills employing them do not infringe.* It also pointed out that Morgoil bearings were not installed on rolling mills until after the Steckel patents were issued.".
>
> * * *
>
> "As to the structural difference, claims 7 and 14 of '195 specifically require roller bearings and hence are not infringed by Morgoil. To construe the apparatus claims which call for 'anti-friction bearings' (claims 3, 4, 6, 8, 11, 12, 13, and 16) or 'anti-friction mountings' (claims 15 and 17) as including such a different type of means for reducing the coefficient of friction as a bearing which achieves its result through lubrication does violence to the specifications.

> It is unnecessary to review in detail the discussion of the meaning of 'anti-friction mounting' and 'anti-friction bearing' in deciding this relatively minor point. *The fact remains that Morgoil is so completely different in structure and operation that it cannot be said to secure the same result as the roller bearing in substantially the same way. Hence it is not an equivalent of the roller bearing. The judgment of the District Court upon this feature of the case was correct.*" [Emphasis added.]

In the portion of its opinion omitted from the above quotation, the Court of Appeals comments on this Court's opinion in *Halliburton Co. v. Walker*, 329 U. S. 1 (1946) and characterizes it as "in effect" overruling some earlier opinions of this Court, so far as concerns infringement by *an equivalent* not known at the time of the patent's issuance. These comments, on which the present petition is based, are clear *dicta*, in view of the Court of Appeals' conclusion that Morgoil bearings were *not in fact an equivalent* of roller bearings. The comments also show a failure to distinguish the facts in the various opinions of this Court with respect to the effect of the breadth of a patentee's invention upon his right to hold subsequent developments as infringements.

This Court denied a petition for a writ of certiorari in the *Republic* case (352 U. S. 891) and a petition for rehearing (352 U. S. 955). In those petitions the present petitioners made the same arguments they make in their instant petition. We do not know the actual reasons for the denials of the *Republic* petitions, but, as we show in this brief, ample reason existed, wholly apart from the license defense in that case.

In the present case, after a trial lasting more than two months, involving about 750 exhibits and a typewritten transcript of about 6000 pages, plus a week spent by the Court in viewing rolling mills in six different states, Judge

Weick (now Circuit Judge) not only held that mills equipped with Morgoil bearings did not as a matter of substance infringe petitioners' patents (174 F. Supp. at 127):

> "A mill equipped with Morgoil bearings lacks one of the *essential elements* of Steckel's combination, namely, roller bearings. As has been pointed out a Morgoil bearing is not a roller bearing and operates on an *entirely different principle*, namely, on a film of oil maintained under pressure between the moving parts in the bearing enclosure. I, therefore, find that mills equipped with Morgoil bearings do not infringe either Patent No. '016 or '195." [Emphasis added.]

but also, in what the Court of Appeals acknowledged was "a very thorough and carefully prepared opinion" (285 F. 2d at 234), stated the personal conclusion (based on what we consider to be the most thorough understanding of the patent and the prior art ever possessed by any judge) that the '195 patent was invalid, commenting upon the Morgoil bearings in this connection as follows (174 F. Supp. at 120):

> "The Morgoil bearing being in essence an improvement of the old plain sliding bearing it can be said that Cold Metal is claiming a valid patent on the ancient 4-high mill when its plain sliding bearing is improved by another inventor, as to reach a low coefficient of friction. No invention resides in taking the bearing of Morgan Construction Company and placing it on the backing roll necks of a 4-high mill.
>
> "If it was invention for Steckel to apply roller bearings to the necks of the backing rolls of a rolling mill (which roller bearing manufacturers had been advocating for a long time), I see no good reason why a patent could not be obtained for the

> use of Morgoil bearings in the same manner. This might be rough on Morgan Construction Company, which invented the bearings, for its patent would be useless if the invention could not be used for the purpose for which it was intended without paying tribute to another.
>
> "Nor can I see any valid reason why Steckel's conception should be extended to embrace all future inventions relating to improvements in bearings for rolling mills."

Notwithstanding his conclusion that the '195 patent was invalid, Judge Weick felt bound to, and did, follow the prior Court of Appeals decision in the *Republic* case that the patent represented an invention, albeit one which did not cover mills with the non-equivalent Morgoil bearings.* The Court of Appeals in the instant case held that both the question of infringement by mills with Morgoil bearings and the question of validity of the '195 patent were controlled by its prior rulings in the *Republic* case, relying on the rule of *stare decisis* (285 F. 2d at 236).

In view of the foregoing, we believe it apparent that the holding of non-infringement which petitioners ask this Court to review was based on findings of fact, which although differently stated mean substantially the same thing, (a) that whatever inventive contributions petitioners' patents represent, those contributions are not of such a character, in relation to what had gone before, as to entitle those patents to a scope which would cover mills employing Morgoil bearings, which are a wholly independent departure from the prior art, (b) that Morgoil bearings are not "roller bearings", "anti-friction bearings" or "anti-friction

*The statements in the *Republic* opinions that the alleged inventions of petitioners' patents "revolutionized" the manufacture of thin metal strips obviously relate to the commercial success they enjoyed, and not to their inventive breadth. Compare Judge Weick's opinion in the present case at 174 F. Supp. 118-119.

mounting" as those terms are used in the claims of the patents, and (c) that Morgoil bearings are not an "equivalent" of the roller bearings (and in the case of the '016 patent the wheel-like backing rolls) found to be an essential element of the patented inventions. It is also apparent that any review of the holding of non-infringement could not be made in a vacuum but would require comprehensive analysis of virtually the entire record in this case to determine (1) what, if any, inventive contributions over the prior art the patents truly represent and (2) whether mills employing Morgoil bearings embody these contributions or represent independent contributions of their own.

Petitioners' arguments that the Court of Appeals in the instant case refused to follow prior controlling opinions of this Court, that there is a conflict of opinion among the Courts of Appeals with respect to the doctrine of equivalents extending to a later-invented device, that various opinions of this Court are also in conflict among themselves, etc., are based on the failure to recognize a consistency of holdings revealed when each case is considered in light of the real invention the court believed the patentee had made. The basic question always is not whether the accused variation was known at the time of the tent but whether it owes its existence to the patentee's ribution. Where that contribution points out a whole new area, the fact that another subsequently discovers a variant within that area may not relieve him of his obligation to the patentee. But where a patentee's contribution is merely to point out one path of departure from the prior art, it is obvious that the principles of our patent system would be entirely disserved if he could successfully withdraw into the field of his monopoly all other paths of departure which were subsequently found by others.

Petitioners' patents each represents the latter type of invention, at least so far as any attempt to assert it against

mills with Morgoil bearings is concerned. The opinions in the *Republic* case and in the instant case have made this fact abundantly clear.

CONCLUSION

The petition should be denied.

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April 15, 1961

In The

Supreme Court of the United States

NO. 818

OCTOBER TERM, 1960

THE COLD METAL PROCESS COMPANY, ET AL.,

Petitioners,

v.

THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, TRUSTEE, ET AL.,

Respondents.

THE REISS COMPANY, ET AL.,

Petitioners,

v.

THE COLD METAL PROCESS COMPANY, ET AL.,

Respondents.

REPLY BRIEF FOR PETITIONERS

[redacted]

IN THE

Supreme Court of the United States

NO. 818

OCTOBER TERM, 1960

THE COLD METAL PROCESS COMPANY and THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, TRUSTEE, Petitioners,

v.

E. W. BLISS COMPANY and GREER STEEL COMPANY, Respondents.

REPLY BRIEF FOR PETITIONERS

Respondents' admissions show that the petition should be granted:

(a) Having no answer to the points relied upon by petitioners, respondents resort to the assertion that the basic erroneous holding was "clear *dicta*." They then admit error by the Court below (Br. 8) when they say that the "comments" of the Court below

> "also show a failure to distinguish the facts in the various opinions of this Court with respect to the effect of the breadth of a patentee's invention upon his right to hold subsequent developments as infringements."

(b) Respondents also admit (Br. 11) that where (as is clearly the case here) the patentee's contribution

> "points out a whole new area, the fact that another subsequently discovers a variant [Morgoil bearings] within that area [the new combination] may not

relieve him of his obligation to the patentee." (Bracketed matter added)

That the inventions here have developed a whole new area and occupy a position among the great inventions is clear from the holdings of the Courts below that they filled a "long-existing" demand in the steel industry, that they "revolutionized" the manufacture of thin sheets and strip, that they removed a long-standing "technological block" in the industry and that they should be given a liberal construction.* Morgoil bearings surely are no more than a "variant" within the area of the new combination.

Contrary to respondents' assertions, the opinions below make it clear that the real basis for the erroneous holding on non-infringement is that discussed in the petition. This is necessarily so because the Court expressly found (233 F.2d 841):

"* * * the Morgoil bearings perform all the functions of caged roller bearings, * * *."

This finding, as a matter of law, requires a holding of infringement under the doctrine of the *Morley* case (129 U.S. 263) and the other cases said by the Court below to have been overruled by this Court in the *Halliburton* case (329 U.S. 1).

It is correct, as the Court below stated, that there are real structural differences and operational differences between Morgoil bearings and roller bearings,**

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* Respondents' attempt to equate the revolution in the art to mere "commercial success" flies in the face of the expressed bases for the holding that the inventions had revolutionized the art (see 123 F. Supp. 529).

** This was also true in *Morley* (129 U.S. 263, 285, 289, 290) and in *Cochrane v. Deener* (94 U.S. 780, 789-90).

but the question is not whether these bearings, *as bearings,* are equivalent to each other; it is whether, *in the combination claimed by the patentee,* they perform the same functions. This they do, as the Courts below held, and this requires, as a matter of law under this Court's decisions, a holding of infringement of the combination claimed, namely, small work rolls, large backing rolls and antifriction mountings for the backing rolls.

Respondents' attempt to relegate the real basis of the holdings below on this Morgoil bearing issue to the status of "clear *dicta*" and their emphasis upon the holding that the two bearings (roller and Morgoil)—as bearings—are not equivalent because of differences in structure and operation would *indicate* that there were two grounds for the non-infringement holding below. Judge Levin's opinion in *Republic* does not support this; and, as we view it, neither does that of the Court of Appeals in either *Republic* or this case. Assuming, *arguendo,* that there were two grounds, this second ground is wrong as a matter of law for mere non-equivalency of the Morgoil and roller bearings as bearings is not sufficient since the real question is whether, *in the combination,* they perform the same functions; and on this the Courts have held, on undisputed evidence and concessions, that they do.* Hence, as a matter of law,

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* In *Cochrane v. Deener,* 94 U.S. 780, 789-90, this Court said:

> "Though some of the corresponding parts of the machinery, designated in this combination, are not the same in point of form in the two bolting apparatuses, and separately considered, could not be regarded as identical or conflicting, yet having the same purpose *in the combination,* and effecting that purpose in substantially the same manner, they are the equivalents of each other in that regard." (Emphasis added)

under this Court's decisions in the *Morley, Machine Co.* and *Cochrane* cases, which the Court below refused to follow, a holding of infringement should have followed ineluctably.

The petition should be granted and the decision below, on the issue in question, should be reversed on the authority of the *Morley* case.

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